THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established In 1917

February 1, 1947

JAPAN'S FOREIGN TRADE

AN EDITORIAL

Wooing The Social Democrats

By Tseng Yu-hao, Ph.D.

Export Problems

By J. R. Kaim

Jap Reds Draw Up Plans

By Hugh Deane

CHINA'S "BLAIR HOUSE"

AN EDITORIAL

VOLUME 104 PRICE CNC$1,000 Number 9

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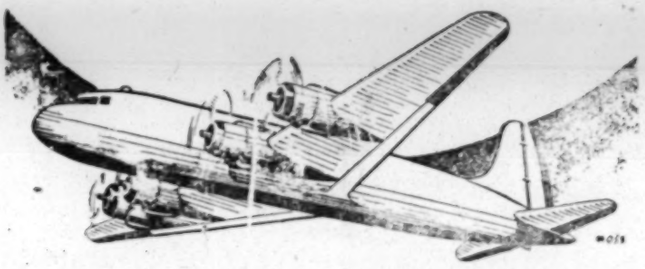

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LETTERS From The People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of The China Weekly Review.

Customs Service

To The Editor:

There has been much discussion about the Chinese Customs Service in recent issues of *The China Press*. It is presumed that every member of the said service will be very grateful to see such concern shown. And it would be deplorable if members of that service remain aloof.

Before the war, the Customs Service enjoyed a fairly good reputation as being efficient and responsible. This, as a matter of fact, was nothing to sing about. It was not the fruit of superb organization or a sound system. Instead, there existed for a long time bitter hatred and deep antagonism among staff members of its various branches. What kept the service moving at a tolerable pace was nothing but the good remuneration. There was the unforgotten phrase before the war which compared a Customs job to a "golden rice bowl."

After the war, our country, instead of recovering, is still in a chaotic state. With the hardships of the people increasing daily, the rice bowl has changed shape. Gold has turned into clay. And the long suppressed weaknesses have revealed themselves before the public.

The outlook of this once famed service is certainly none too bright. Materially, stringent livelihood has dealt a heavy blow. Spiritually, faithful men have not been rewarded, while opportunists have not been punished. Those who served their country throughout the war in the interior, today can not even find four walls and a roof to shelter themselves and their families. Many are shivering in the cold, while those who collaborated with the enemy were given tons of coal to warm their palatial residences. This is certainly a very special feature, not to be found in any other part of the world.

How many honest hearts were broken, and tears shed. Yet one who has faith in truth believes that, in one way or another, justice will be done and the shame of mankind erased. It is not only individuals, but also the very foundation upon which our social standard is built that must be changed. So, friends, let's do our very best.

Shanghai, A CUSTOMS MAN.
January 25, 1947.

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Arise, Ye Sons

To The Editor:

Through eight years of bitter struggle, China depended upon her young people who shed their blood and sacrificed their lives to win the final victory. When the Chungking officials returned here, they received our hearty welcome. Everything, in the people's eyes, would be better than it was under Japanese control.

Unfortunately, we are now disappointed. Immediately after these officials came they started to squeeze. Everything still goes up in price and there is hardly any law and order. Wage earners have found it almost impossible to live under present conditions. The blame for all this should be placed upon the shoulders of both the officials and the government.

Let us turn our eyes to the National Assembly. Forty days of precious time were spent and the only result obtained was the adoption of a Constitution, which is dominated by the Kuomintang and, therefore, will be impracticable in China.

This clearly shows that the Kuomintang and the Communists will have the greatest difficulty in any attempt to work together. It means there is more suffering ahead for the people.

What shall we do? I think the time has come for us to rise up bravely to improve present conditions and to help bring about democracy and freedom in our country. For example, we should unite together to resist any officials

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who use illegal means to collect exorbitant taxes. Again, why should we be drafted to fight our own brothers?

I am sure there are many who are similarly dissatisfied and disappointed, and will certainly join me to do our part as good Chinese.

FREDERICK Z. WOOD.

Shanghai,
January 25, 1947.

Postage Too High

To The Editor:

Your letter of November 20 and a copy of *The Review* came duly to hand. Yes, I had received the expiration notices before this letter but after some consideration I decided not to renew my subscription to your magazine at the present.

Your editorials are rather to my taste. The only reason that I did not renew my subscription is that the postal charges by air mail to this remote corner of the country are so very high. I am only a poorly paid school teacher. How can I pay so much just for the pleasure of reading?

I am, however, very much interested in your paper. The suspension will only be temporary, I hope, because I may be able to set aside enough for a copy each month after some strict personal "budgeting" in the future.

KU CHANG.

Kangting, Sikang,
January 24, 1947.

Optimistic

To The Editor:

Having read a letter in your *Review* of December 9 under the caption "Whither China," I agree with the writer in some respects, but I think he is too pessimistic as regards China's political and economic outlook. China may continue to suffer political upheaval and economic chaos for many years to come, yet she will survive.

We all know that China is a literary country. Anyone who can write beautiful Chinese composition or speak eloquently is considered qualified for any position. Read the speeches and propaganda written by politicians and see how nice they are! Knowing these men's nature we should not blame them for writing nice literary compositions as their routine duty. What else are they able to do?

That is why we have many official regulations which are nothing but empty words. Recently we have read the following regulations which have completely failed:

(1) On exorbitant interest rates;
(2) On yarn price control;
(3) On flour price control;
(4) On rice price control;
(5) On the U.S. dollar;
(6) On exports and imports;
(7) On granting unlimited loans to commercial and industrial concerns;
(8) On prohibiting hawkers.

Who is to blame? The government officials, of course. Where are they from? They are from our society. No matter what party is in control, we cannot expect a rapidly improved administration as a result of a change in government personnel. The society is such that we cannot expect to have a clean and honest government. Good, educated, upright men can hardly be successful in an official career. Bad soil produces bad fruit. First of all, we must overhaul society.

How to re-educate society so that everyone understands and practises the principles of citizenship and loyalty to the state is a problem. Of equal importance is the development of our industries so that positions outside the govern-

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ment are equally attractive to educated people, of whom many are unemployed.

China will not benefit much under the control of any political party, KMT, CP, or any other, unless the soil that produces the fruit is improved and fertilized. During the past 30 years we have witnessed many changes of government with the result that the new regime is not better and perhaps worse than the preceding. For government officials are the same fruit produced in the same garden.

I serve China to the best of my ability by giving my six children a good college education and good moral training, so that they may in turn serve China. If they don't serve China well, it is their fault, not mine.

China still survives while most ancient nations have vanished. Time and nature will take care of her. Let the will of God be our destiny. Why should we be so pessimistic?

Do your best and let the other 450,000,000 do the rest, my disappointed friend.

AN OPTIMISTIC CHINESE.

Shanghai,
January 12, 1947.

Agitation Scored

To The Editor:

After having read numerous "Letters From The People" protesting against American troops in China, I wish your impartial readers would enlighten us by enumerating all possible advantages and disadvantages to China now and in the future.

We want genuine public opinion. Communistically inclined answers are not wanted.

I cannot understand why we should insist on American troops leaving China while the Russians are still in Manchuria. I believe Americans have no ulterior object in view, but wish to help China in some way which I am not in a position to specify.

Furthermore, the present agitation against American troops in China comes mainly from college students who, I believe, are pseudo-patriots. I may be wrong but I don't think those youngsters know much about international problems concerning the welfare of future China.

One thing is quite certain: by befriending America, we have all to gain and nothing to lose. No nation in the world can do us more good than America as she has almost everything we need. Without American financial assistance China will be thousands of years behind in developing her industries and resources.

A certain political party thinks it is better for China to develop her industries and resources with her own initiative. Do your readers believe that? Perhaps a very few. Let men of common sense decide this question. The Chinese are a slow people. We lack initiative. We are inefficient. We have no scientific mind. We move at a snail's pace. It has been said that during the six years of occupation, the Japanese did more in developing Hainan Island than the Chinese in 2,000 years!

We should not blame the Americans for getting "smart" now. They drove the Japanese out of China. Now, what do they get?

Whatever we do, we must do it in a diplomatic way like gentlemen. Don't stage demonstrations like mad men.

Fellow readers, do you consider me pro-American? Let us hear your impartial opinion.

LEE YEE-YUEN.

Shanghai,
January 18, 1947.

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Corrections

To The Editor:

We would like to bring to your attention the editorial "Neutrality, American Style," in the December 21 issue of *The China Weekly Review*, in which several points you made were groundless and/or erroneous.

(1) You said, "According to Gen. Chou Chih-jo of the Aeronautics Commission, between V-J Day and February 1946, the Government sent 2,000 air cadets to America. He said the expense of the program was being paid through Lend-Lease."

Gen. Chou never made the above statement, orally or in written form, and I hope you will kindly make the necessary correction. Further, Gen. Chou is the commander-in-chief of the Chinese Air Force, and for whatever statement he makes he is responsible.

(2) In the same editorial you also stated, "Since V-J Day, according to the committee (the left-wing Committee for a Democratic Far Eastern Policy), the American Government has set up...para-trooper training schools in Kunming, Nanking, Canton and Hengyang...and an air force academy in Chengtu."

To an average reader, the statement seems to assure him convincingly that there were such schools in the places mentioned. However, even were the statement a fact, such training schools would come under the command of this headquarters. On the contrary, the American Government has never set up such schools in the places mentioned, and therefore, the statement was erroneous.

(3) You further said, "The pre-surrender schools...including a Sino-American mixed air corps training school... will be continued."

The so-called Sino-American mixed air corps training school did not exist even before the surrender, so how could it be possible that its operations continued after the surrender. We deem this entirely groundless, and hope you will publish a correction accordingly.

Your esteemed magazine has a history of about 30 years and is being read far and wide throughout the world, which fact we all know. In these troubled times, however, we are daily confronted with divers ways of rumor-making for purposes of propaganda. Famed as your magazine is, we hope you will exercise better judgment and a greater amount of discretion in the choice of material in the future, which will help tremendously in enhancing the power of the press.

MAJ.-GEN. HU PO-HSI,
Asst. Chief of Air Staff A-2,
HQ., Chinese Air Force.

Nanking,
January 15, 1947.

Mass Education

To The Editor:

You asked our opinion about your magazine recently. I can tell you frankly that I like it very much. Nevertheless, I suggest that it will be a very interesting subject if you can bring up the question of Mass Education. There are many people who would like to know about this movement thoroughly and how to fight against illiteracy effectively. Or you might invite readers to explain or discuss the problem.

If I can help you from this place, you know my address. I am a Jesuit missionary. Also, my kind regards to Messrs. Leo Rissin and J. R. Kaim, whose articles in the *Review* we enjoy reading very much.

JOSEPH FRANCIS CORTAFS.

Wuhu, Anhwei,
January 8, 1947.

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SMC Men Ask Deeds

To The Editor:

I suppose all ex-SMC employees would endorse my opinion that the British Embassy's perfunctory attitude of washing their hands of the outstanding liabilities of the defunct Shanghai Municipal Council lacks sportsmanship.

After 16 months have elapsed, we cannot wait any longer. This time we want deeds, not words. Most of us have become poverty-stricken, some of us having come here from Shantung, Hopei and other remote provinces to claim our superannuation. The rally last Sunday and again on Wednesday in the compound of the British Consulate would be mere curtain-raisers should nothing of a substantial nature be achieved promptly by the responsible authorities.

The old International Settlement was ruled by the Shanghai Consular Body, with the British and Americans playing the leading roles. They were our employers, and are not justified shirking their responsibilities for any obligation binding upon the defunct Shanghai Municipal Council. Consequently, it is only ethical that the British and American Governments should either urge the Chinese Government to liquidate the outstanding liabilities of the defunct council without further delay or extend a loan to the latter for solution of this long-outstanding problem.

CHAO PING-KUN.

Shanghai,
January 17, 1947.

Good Old Cathay

To The Editor:

In your December 28 issue, I found a letter captioned "Leadership" in which the writer, Mr. A. B. C., said that China was only a "half-civilized nation." Though normally, I am a reticent person I could not but disagree with him.

China is the eldest brother of all earthly nations. It seems to me she is even older than Egypt and Babylon. From Emperor Fu Hsi down to the present, China is about 10,000 years old. Within that period, many sages, philosophers, literary men, musicians, astronomers, astrologers and many other kinds of wise and able men were produced.

Even W. J. B. Fletcher, who translated the poems of Li Po and Tu Fu, had the following to say about China: "It is not a little creditable to the Chinese civilization that such refinement of thought should be current at a period when the ancestors of Europe were overrun by German barbarians, and the Scotch had hardly abandoned cannibalism. The poems are essentially sketches of nature, written by true lovers of China's grand scenery and ruins of famous dynasties and the memories of immortal beauties."

I don't know why Mr. A. B. C. made that remark, discrediting all of China's glories in a single breath. However, I am in perfect agreement with him when he said that present-day China needs a political leader who must also possess knowledge of ethics, history, social science, economics, and international relations. I also agree with him that ethics is first in the order of various branches of liberal arts and sciences, for in China the greatest emphasis was placed on human relationships: affection between father and son, righteousness between husband and wife, proper order between the young and old, and fidelity among friends. So, as a result, we have a number of golden precepts handed down from generation to generation through thousands of years. This only shows

that China is a very, very civilized country.

The present degenerate condition is due to the returned students. They introduced a false democracy into China. We have been repeatedly told by them that every citizen should be a soldier. There must be arsenals to make ammunitions and arms. As a result, we have been fighting a civil war off and on for three decades now, and there is still more fighting ahead. Even Dr. Sun said, "We will not be able to recover our national position unless we revive our old virtues."

Now the people are very tired, and their only hope is that they be given a chance to heal their wounds and rest their tired muscles. We have tried about every means without success. Then why don't we try to instal in all the high offices pure, sagacious, farsighted, versatile, prudent and resourceful persons who will also rule the people with parental love. Then there will be no corruption, cruel taxes and no evil administration again. By then China's old civilization will be easily restored. With such a big and populous nation and so many resources, who would say that China cannot be helped?

TANG JE-HSIEN.

Chengtu,
January 10, 1947.

Economic Troubles

To The Editor:

The Chinese economic situation is a cause of anxiety not only to China but to the Allied nations too, especially to America. What are the difficulties in which China finds herself? What are the origins and solutions? Everybody knows that the present situation cannot continue indefinitely and the crisis will inevitably be more and more serious unless remedial steps are taken.

One of the fundamental phenomena characteristic of the situation is the ever-rising inflation. Because of it prices are skyrocketing, many a factory or firm has had to close down, the flight of capital continues unabated, and the people's livelihood has become a mere struggle for existence. Then there is the bureaucratic system that is crippling the national economy.

Some naive observers charge that the woeful conditions in China are chiefly due to importing more foreign made goods than China can afford. They simply cannot grasp at core of the problem. From the standpoint of international trade it is only natural for one nation to trade with another. If, unfortunately, there are more imports than the nation's pocketbook allows, it is only a technical question.

What the government has so far done has only resulted in directing our money system into a state of uncontrollable confusion. Yes, the causes that led to inflation are beneficial to some of the people whose vested interests must be guarded by all means. What is more, the more the Chinese dollar is devaluated the less fair is the distribution of wealth in the nation where the rich have become richer, the poor poorer. So far so good, and there is still no visible sign of the country being rehabilitated.

There is also the question of careful budgeting. As long as the National Government cannot balance its budget, there exists the fear among the people of continued inflation. The people will find all possible means to stow away their money in places of safety, causing a continuous flight of capital from the country, or they seek to preserve its value by hoarding gold bars or foreign monies.

We hear so much of industry finding it difficult to carry on without government loans, but, on the other hand, we

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see huge sums of idle money lying around or being used for speculation.

While inflation overcomes the country like a merciless flood, bureaucratic capital is just as ruthless in its competition with private capital for the domination of market and the accumulation of wealth. Yet private enterprise seems to be a better means to rehabilitate the country. This was seen in many instances before when private capital managed to solve many serious industrial and business problems by increasing production.

However, as long as our budget cannot be balanced inflation will never be brought under control, and as long as the civil war is not halted there will be no hope of balancing the national budget. It is a shame to think that so very few of our leaders have enough courage and foresight in trying to avert an imminent collapse of our national economy though it has been often denied.

P. S. SUN.

Nanking,
January 10, 1947.

"Alike, We Labor"

To The Editor:

Reading in your edition of December 21 the letter by "A Few Pitiful Citizens," I found that they are "laboring people," so they "especially dislike religious people." Their reasons are: "They reside, but do not build. They only cry daily to their Heavenly Father to give them bread. They are just ignorant consumers."

Of course, "A Few Pitiful Citizens" have the liberty to say what they think about religious people and to choose to like or dislike them, but their reasons given seem unreasonable. Are religious people not laboring people? It is evident that some of them labor in different directions or by different methods.

I, myself, am one of many who try to live a religious life. In this town here I teach 18 hours a week in a government middle school and a missionary school for training nurses. I sow, I weave, I build the invisible spirit of helping where help is needed for those two institutions voluntarily. As I am trying to live religiously, I have an unshakable faith that some day, if not now, I and many others will enjoy a harvest from this.

Speaking more personally and intimately, I am a Methodist minister and try to devote myself to religious work and persuade people to be more religious. (I was professor of ethics at the Cheeloo University for the last three years.) By preaching, visiting, class meetings and group discussions I have to sow the seeds of hope in this world of chaos and troubles. Not for the stipend which can hardly keep my soul and body together do I labor.

Yes, religious people, especially Christians "cry daily to their Heavenly Father to give them bread," but they certainly do not "only" cry, nor do they cry for bread alone. There are many other actions which go together with their cry and for many more things than bread do they cry.

We, religious people, labor as much as do "A Few Pitiful Citizens," and our task often is more difficult and requires the shedding of "sweat and blood"—and not only in a physical sense.

To my dear partners, "A Few Pitiful Citizens," allow me to quote: "All roads lead to Rome." Let them try to do their share in the work of building up a better world. The religious people—strange to say—do not bother a farthing whether one likes or dislikes them. They so cheerfully weave quietly, build intensely and *labor* wholeheartedly.

K. K. HSIAO.

Chungsiang, Hupeh,
January 6, 1947.

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Vol. 104 Shanghai, Saturday, Feb. 1, 1947 No. 9

Japan's Foreign Trade

REPORTS of increased international trade were revived last week by an *Associated Press* story from Washington in which the writer interpreted the recent opening of limited mail privileges between Japanese and American business interests as a step in that direction. Another indication, according to the story, was the repeal of the trading with the enemy act.

These two factors, when taken into consideration along with the many other indications of the past year, do point in the direction of both increased trade and increased freedom of choice in trade.

The official thinking behind this speeded up plan for Japanese recovery we have discussed several times in the past, both in the editorial and other columns of the *Review*. It stems partially from the desire to finish the occupation as soon as possible so that its expenses may be reduced and so that the troops and other personnel so employed may be used elsewhere. The idea of getting the Japanese established economically as soon as possible also has as its aim the recovery of costs which the occupation has already entailed. The hope for early war reparations is another factor.

Another, and important point, is the increased tendency in official American circles, especially among the military, to look upon a revived Japan as an alternative to China in the search for a friendly, strong, stabilizing influence in Asia.

It is this latter point that always brings a howl from Chinese sources. China's point of view is quite understandable. Having had nothing but trouble from Japan for the past 50 years, and having just emerged from a life and death struggle with her, China cannot be expected to view with favor any attempts to make Japan anything other than a second class power stripped of all military potential. China and the Chinese feel—and rightly so—that China should be given all possible aid by her wartime allies in establishing herself as the number one nation of Asia.

Despite the righteousness of China's contentions, many officials connected with the Japanese occupation are convinced that the only nation capable of becoming the stabilizing factor in Asia is Japan. Japan, they point out, may be guided into a position of eminence by American democratic methods in such fashion that she will not again become a menace to world peace. China, they say, is hopelessly involved in civil war, economic disintegration and political chaos and it is doubtful if she can do anything but contribute to the unrest and confusion in Asia for another generation.

The two sides of this question can be argued endlessly without agreement being reached. The important factor about the whole thing, though, is that those who hold that there is little if any chance for China to emerge as the leading nation of Asia in the near future are the very people who are guiding Japan's destiny and who are grooming her to occupy the number one spot in the Far East.

To those of us who have identified ourselves with this country and who have, through the years, continued to hope for an eventually unified, stable and progressive China, such a situation is indeed discouraging. Despite the efforts of China's friends in America, the pattern of the occupation in Japan has moved steadily toward the obvious goal of more or less complete restoration.

With the failure of General Marshall to bring peace and unity to China, and with his subsequent elevation to the position of Secretary of State, has come an additional fear that the occupation plan may not be altered in time to prevent a complete resurgence of Japan and all the evil that may accompany it. While Marshall made many personal friends during his stay here and undoubtedly acquired a reasonable understanding of the country's problems, he, as Secretary of State, is bound to promote America's national interests by doing his utmost toward achieving a peaceful, prosperous, stable world. With the political-military-economic situation in China continuing to show virtually no tendency toward improvement, he, too, like so many other high American officials, may begin to toy with the idea of a resurrected Japan.

Several events have either taken place or been reported during the past two weeks which have given rise to additional fears among Far Eastern observers sympathetic to China. Among them, the announcement that China has only five more months in which to get her house in order if she wants the proffered US$500,000,000 reconstruction loan from America, is one of the most significant. Another is the report reaching here which tells of rapidly declining Chinese prestige in America. Disappointed and disgruntled GIs, businessmen and even missionaries have been spreading stories of the corruption, inefficiency, etc., prevalent here today. Collections from the public for charities or aid projects in China are reported falling off.

The seriousness of this situation is not to be minimized. It may not be too much to hope that realization of the size of the stakes may

cause an increase in the efforts of those in this country who are working for peace. It also might not be too much to hope that such knowledge might serve to make less adamant the diehards of both sides.

Such hopes, of course, may be groundless. One certain thing, however, stands out quite plainly. Today China has her long-awaited chance and if she does not take it now, it may be a long time before she has another one which holds so much promise for China and for her people.

Sound Logic Department

Since agriculture is always the basis of China's economic life, the national economy can be stabilized by fixing the prices of foodstuffs and regulation of the supply and distribution of grains. The present government policy of tax collection in kind is pursuant to these ends.—*Peace Daily, editorial, January 24, 1947.*

Common Front Or Eclipse---

EARLY last year we voiced the opinion that all minority groups in China should join forces and, through the creation of a common front, gain a greater voice in the affairs of state. By the middle of the year, all three leading minority groups—the Democratic League, the Young China Party and the Democratic Socialist Party—were able to bring this union into being.

The results were evident from the very start. The "third party" became a potent force in the negotiations between China's two major parties. Never before had minority groups in China played so important a role. Never was their support so sought after or so well appreciated through the grant of concessions.

Then came the split. The "common front" dissolved into a group of quarreling, egocentric, vying groups. So ended the "golden days" of unity.

What now?

* * *

GENERAL George C. Marshall, in his "post mortem" on mediation in China, clearly indicated that this country's hopes lay in the creation of a strong liberal group able and willing to take a leading role in the establishment of peace and a constitutional government. Nor is Marshall alone in holding this view. Every progressive Chinese recognizes, as a prerequisite to the achievement of this goal, the creation of a strong liberal party as a counter-balance between China's two warring factions.

Nor are members of the third parties blind to the possibilities lying within the scope of a general rapprochement between the three minority groups which once enjoyed the fruits of their "common front." Up to the present, however, their voice has received no answering echo from those who mold the policies of these parties. And one can only wonder why.

If fear of total third-party opposition was instrumental in bringing about a postponement of the National Assembly's opening from October 10 to November 12, and then again to November 15, there seems no valid reason to presume that similar concessions could not be forced from the

major parties in the future. But such concessions, in the interests of the nation at large, could only come with the re-creation of the "common front." Without it, liberal groups can only shadow the major parties, but never adopt an independent course.

* * *

IT BECAME clearly evident, on the eve of the opening of the National Assembly, that both major parties were angling for the support of the minority groups which had coalesced into a single "third party." Concessions and more concessions were piled up on the liberals in order to win over the "third party" in its entirety or, failing that, to split the liberal bloc.

And split it was. The strategy of driving a wedge between component parts of the third party, however obvious the tactics, succeeded—and with resounding effects. The bloc flew to pieces. The result: both major parties in China began to use the third parties as pawns in the game of attempting to undermine each other.

Today the Young China and Democratic Socialist parties have hitched their wagon to the government star. The Democratic League, at first opposing any ties with the national government, has now adopted a "wait and see" policy characterized by its willingness to join local assemblies and administrations in both zones of China. This implies tacit recognition of both regimes as the authorized government of China, while on the other hand granting recognition to neither as the state. Which cannot profit either side—or the Democratic League.

* * *

THE ABOVE resume of what the "third party" groups have gone through since the dissolution of the "common front" makes dismal reading. It makes even more dismal writing. For here are China's liberals throwing themselves

on the cross of disunity, suspicion and party conflict — the cross on which China itself will be crucified if the present state of affairs continues much longer.

The people — the vast majority of them — have indicated, time and time again, that they are willing, ready, to back a truly democratic party intent only on establishing a democratic government for the masses. The demand of the people is clear. But what has been the response of the third party groups? Have they answered the call of the nation in its hour of most pressing need?

For our part, we would be much happier were we able to record, as the chronicle of the past year, a growth in the strength and importance of the third parties through their adoption of a common, people's policy. We would be happier if, instead of jockeying for power by the individual parties and by individual party chieftains, there had been a concerted, coordinated, common struggle by the third parties to gain power—not for themselves but—for the people.

This aim has been sublimated by each party to the aim of winning the maximum concessions for its own members. But the handwriting on the wall is clear enough for all to see.

It is either a common front, or a common grave.

Famine Note

Even as Al Capone, Chicago's prohibition era gangster, was ushered out of this world, a new era in gangsterism was ushered in by local talent, as witnessed by the *China Press* recently, in a story titled "10 Gangsters Held By Garrison Headquarters."

"Ten desperadoes," the story says, "who recently stole more than 100 pigs and other edibles worth more than CNC-$50,000,000 were apprehended...." and brings to a new low conceptions of that activity which made Al Capone a synonym for well-organized and high-class crime.

China's "Blair House"

CNRRA eased itself out of another scandal last weekend by announcing that the first announcement to the effect that it had paid US$120,000 for a house for UNRRA Director General Glen E. Edgerton was all wrong. Central Trust, CNRRA hastily said, had actually been the purchaser since CNRRA, being a relief organization, could not spend money in such fashion. Further, CNRRA lamely explained, the US$120,000 establishment was in actuality an official Chinese guest house for distinguished foreign visitors and Edgerton was merely scheduled as the first occupant.

There are several things wrong with this explanation. First, it came so late and so obviously followed the public howl about a relief director living in a US$120,000 establishment that it appeared to be second sight and devised merely as a method of getting out of an embarrassing position. Second, it was our understanding that the seat of the National Government was in Nanking. Blair House, we might mention here, is situated in the American capital at Washington and not in some city a few hundred miles distant. We're all for a national guest house, but suggest that it be located closer to the national scene. We're sure that the American Government, for instance, has not considered establishing a palatial guest house in New York, even though it, like Shanghai, is the nation's entertainment capital, with flourishing theaters and dance halls.

Another angle to the "house deal" is that Blair House, of which CNRRA says Edgerton's House is the Chinese equivalent, is actually a residence set aside for visiting foreign dignitaries who pass a night or two there merely as a formality. Heads of foreign states and other especially important visitors usually stop a day or two at the White House and then move to Blair House for a few days. Thus it was when Madame Chiang visited America during the war. In no instance is Blair House used as a rent-free residence for weeks or months by one visitor.

Even if CNRRA, a relief agency, did not buy the house and, as the latest press releases have it, Central Trust did, we still think it a needless waste of money—even of the printing press variety, which is what we presume was used to buy the US$120,000 worth of gold bars to pay off the landlord.

The whole idea of a financial agency of a government that is yelling night and day about how broke it is and how it hopes UNRRA will be continued and how it hopes sympathetic individual citizens of the rest of the world will continue to contribute their dollars to China relief, paying gold bars to the tune of US$120,000 for a luxurious house for officials, foreign or otherwise, is pure nonsense. If Central Trust buys one such house on the excuse that it is a foreign guest house, how can the school children abroad who drop their pennies in the box for China relief be sure that such contributions will not be used for other equally foolish expenditures?

As we said last week, the only thing for General Edgerton to do in order to "save his face" and show an honest man's disapproval of such scandalous wastage of public money is to decline the offer and "rough it" for the next few months of his stay in the suite at the Cathay which he now occupies.

Inflation Note

FOLLOWING the recent commodity price increases, quotations for "able-bodied" men in Chengchow have likewise risen, according to the *Wen Wei Pao*. In line with these price hikes, able-bodied persons, who are bought as substitutes by reluctant conscripts, now cost CNC$1,800,000, as against CNC-$1,200,000 a month previously.

At the same time the paper's financial editor reveals that Pao Chia chiefs who handle these deals "can earn a neat sum in the way of brokerage on every 10 able-bodies."

Closing Of XRVN

EARLY this month the Chinese authorities closed radio station XRVN, the organ of the Russian Government in Shanghai. The closure, which had been long delayed, was in accordance with the new Chinese broadcasting regulations which prohibit foreign governments or foreign nationals from participating in either the ownership or management of any radio station in China.

From the legal point of view there can be no complaint, since the Russian station was the

last of the foreign stations to go. Shortly after the end of the war, the two privately owned and operated American stations were sold to Chinese interests. The former British station did not reopen following V-J Day, while the French station voluntarily went off the air—ostensibly for repairs—shortly before XRVN was closed.

China is not only a sovereign nation but a member of the so-called Big Five and certainly may regulate such internal matters as she wishes. However, she must abide by her treaty agreements with foreign nations. By prohibiting foreign participation in broadcasting stations located in China, she automatically prevents Chinese nationals from owning or operating radio stations in the United States, for example. When she concludes treaties of friendship and commerce with other nations, she doubtless will find that the rules of reciprocity again will apply. However, if this is as China wishes it, it is her business.

While we personally are opposed to many of the clauses contained in the new radio regulations, we cannot see upon just what legal grounds the Russians are objecting. Perhaps their claim that closure of the station results in a cultural loss to China is justified. We are in no position to judge whether or not this is true. However, the *Tass* statement, as quoted in an *Associated Press* dispatch from Moscow, to the effect that the station was closed because "reactionaries" had put "pressure on democratic circles in China" seems to us wholly nonsensical. Who are the reactionaries and who are the democratic circles? The Woosung-Shanghai Garrison Headquarters closed it on orders from the National Government.

Our own personal view is that China is well off without any foreign government operated or owned stations in China. In fact she would be better off if her own government stayed out of the broadcasting business. The radio business, like the newspaper business, should be run by private individuals and there should be no governmental participation in either field.

Counter-Measures? . . . .

THE Communist Central Politbureau has made major changes in the propaganda policy for 1947, including the camouflaging of the Communistic theories under the new name of "Principle of the People's Livelihood" and the exclusion of Marxism and Leninism from the propaganda program. — *Central News Agency, Jan. 26.*

It now remains for *Central News* to reveal what countermeasures the Kuomintang has undertaken to cope with the situation.

Shipping Probe Needed

THE sinking of the s.s. Chi Kiang, latest Whangpoo River disaster, should bring home to municipal and national authorities the need for a general housecleaning and reorganization of China's greatest port. The direct outcome of the Chi Kiang case should be the implementation of safety rules and, if necessary, the drawing up of a new maritime code. The authorities gave evidence of their being able to move rapidly following the Christmas Day air accidents, so there is no reason why a sweeping investigation of the shipping situation should not be undertaken before a real tragedy occurs.

While evidence is not complete, it now appears that the Chi Kiang accident was man-made and could well have been avoided. Another fact coming out of the investigation was the public and official revelation that the Chi Kiang was overcrowded. While this has almost always been the case with Chinese shipping, it is only common sense to realize that such a practice is dangerous and should be stopped. Measures to prevent ship owners from overcrowding vessels, as well as steps to eradicate the "yellow fish" racket should be taken.

As we understand the situation, China plans to occupy Japan's pre-war position as the leading shipping nation in the Far East. Accordingly, she has set her sights on a goal of 3,000,000 tons of shipping. If such a plan is to be carried out, considerable improvement in safety and other navigational regulations must be made, to say nothing of increasing the efficiency and skill of Chinese seamen.

Now would be a good time for the authorities to review the whole shipping picture and lay down —and enforce—one overall plan for ports, customs, shipping, etc., which would recognize all the current difficulties and aim toward their eventual solution.

The problems of port deterioration, inefficient handling of cargo, pilferage, customs abuses, smuggling and, above all, the red tape, inefficiency and intensification of the foregoing problems which is occasioned by the over-lapping activities and buck passing of the various official bodies connected with the ports likewise should be tackled without delay.

These Conferences

From the St. Louis Post-Dispatch

Making peace with your enemies, it turns out, is easy enough. Where the trouble comes is in making peace with your allies.

Racial Discrimination

THERE are still a lot of people walking free in this world who preach and practise racial discrimination in spite of the fate suffered by Hitler and Mussolini at the hands of the Allies. Among these is venerable South African Prime Minister Field Marshal Jan Christian Smuts. It is ironic that his middle name is what it is in view of the very un-Christian attitude he has adopted vis-a-vis the colored majority of the Union's and Southwest Africa's populations.

Back from the UN sessions, Smuts reported on his labors to the House of Assembly and assured the representatives that inasmuch as the UN is unwilling to accept his draft of the proposed annexation of Southwest Africa by the Union, he would let the United Nations know that the Union is *unable* to furnish any draft at all. In other words, "take it or leave it." Smuts says, and adds that the Union will continue to govern the former German colony under the mandate of the League of Nations, although the League is considered defunct by the members of the United Nations.

Also, Smuts revealed a very ungainly bit of the machinations which have been going on behind the UN sessions. When queried by one of the assemblymen whether the Union's refusal to comply with the UN trusteeship decisions would not invoke the rightful anger of the other nations, Smuts merely replied: "We are not without friends." That is, friends in right and wrong.

That a lot of people in the Union's Assembly, besides Smuts, have their conceptions of democracy and non-discrimination all mixed up is evidenced by "Nationalist Opposition" leader Dr. Daniel F. Malan's assertion that the best way to solve the Indian problem in his country is to ship the Indians back to where they came from.

The "Nationalist Opposition" leader warned of the danger inherent in the presence of the Indians, "who had put themselves at the head of non-European agitation against the Europeans." The reverend doctor failed to mention that the cause of this agitation was the discriminatory Asiatic Land Tenure and Indian Representation Act, which is to stand, according to Marshal Smuts.

Out of a population of 11,000,000 Smuts had 610,000 votes backing him, while the opposition was supported by around 300,000 other votes, according to the 1943 election returns. And that's not much to boast of in any country. Yet, among them, the government and the opposition decide the fate of the 10,000,000 who do not have any say, plus the 300,000 natives in Southwest Africa, whom the Union is anxious to bring into its fold.

Smuts' attitude toward the UN trusteeship could be easily understood if he spoke for the entire population of the Union and Southwest Africa. Today, his position is that he is against both the UN and the native population of these regions although it forms an overwhelming majority. His refusal to comply with the majority decision of the UN requesting him to submit another trusteeship draft more in line with the 20th Century concept of democracy, rather than with the democracy of Ancient Greece, where the "democrats" lived off the fruit of slave labor, is a challenge to the United Nations.

The entire idea of a progressive trusteeship system designed to give "an increasing measure of self-government" to dependent peoples is now being actively sabotaged by men like the South African Prime Minister.

Hoarders, Please Note!

London, (*Reuter*). — Dried serum of plasma for blood transfusions has successfully withstood storage conditions for six years....

A New Paper Source?

RECENT press reports from the United States indicate that there again is some prospect of establishing a paper industry in Alaska. Often discussed but never tackled, huge areas of virgin timber suitable for making newsprint and other paper are awaiting anyone willing to begin development.

According to J. A. Krug, U.S. Secretary of the Interior, 1,000,000 tons of newsprint a year could be produced in Alaska. This figure was worked out by the Department of the Interior on the basis of a forest replenishment program whereby the more than 16,000,000-acre Tongass National Forest and other smaller stands would be re-planted as fast as cut so that the industry would be perpetual. Under this plan it would take 78 years to cut all the virgin timber.

Such an idea naturally has great appeal for those of us in paper-shy China, where there is little hope of developing a substantial wood pulp-paper industry for several years, at least until such time as the forests of Manchuria become available and sufficient processing equipment can be obtained.

Paper from Alaska would be a boon for the Far East as the addition of 1,000,000 tons annually to the world's total production would certainly help ease the shortage and perhaps might reduce the price a bit, especially as the source would be relatively close to Asia and would cut down shipping charges.

25 Years Ago In Millard's Review Of The Far East

February 4, 1922.

Monetary Affairs

Steps toward financial stability have been taken in a small way during the last year but the great task of actually straightening out China's monetary affairs remains unattended. The remark is current that as long as the military potentates are permitted to rule in the provinces, just that long will the monetary administration of the Peking government be an unscrambled mess. It might be added that as long as the condition above described remains, there will also be continued unrest and political confusion in the country. The feudal system of military domination as much as anything else is responsible for the present regrettable and deplorable condition of the nation of China.

* * *

The Fair Sex

Notwithstanding the present chaos in the country and the stringency of finances, the popular interest in women's affairs and women's welfare has grown steadily and extensively in China. In 1921 the Chinese press devoted more space to matters concerning the fair sex than in any previous year. Its columns were full of articles on the undesirability of concubinage, industrial education for girls, the necessity of doing away with the system of slavery, and the devising of means to take care of aged women. Such subjects as birth control, matrimonial unhappiness, and the right of widows to marry again, which were previously shunned, were widely discussed in the public press.

10 Years Ago in The China Weekly Review

January 30, 1937.

Yangtze Low

There has been a 45 percent increase in freight rates on the Yangtze due to the low water level at the various ports. readings have been recorded at Hankow and Ichang. It is impossible for heavily-loaded ships to proceed above Kiukiang. As a result, much freight is lying in the various godowns along the river, awaiting higher water.

* * *

Ferry Disaster

The Kongmoon bound ferry boat Min Chu from Canton, while approaching the Kanchu rapids on the West River, about 30 miles south of Canton, struck reefs and sank early on Jan. 20. At least 200 passengers are known to have been drowned or are missing. Only approximately 100 passengers were rescued. A thorough investigation into the tragedy has been started by the navigation bureau and harbor affairs bureau of the Kwangtung provincial government.

Kuomintang's Efforts To Win Over Social Democrats Reviewed

By TSENG YU-HAO, Ph. D.

SOME 18 years ago one of Dr. Carson Chang's close friends was persuaded to join the National Government under Generalissimo Chiang Kai-shek. The learned doctor, ousted, proscribed and down-trodden by the Kuomintang, strongly advised his colleague not to go to Nanking It was, at that time, considered unwise for anyone who had been opposing Communism to join the KMT. The resuscitation of that party was attributed by its opposition to Moscow's rubles and Trotsky's political and military aid. The fact that the system of a Central Executive Committee and party representatives was retained by the KMT after the bloody purge of 1927 was interpreted as evidence of the red color of General Chiang's regime.

Lured by good prospects, that young friend of Dr. Carson Chang's ignored his warning. For a few years he prospered. In 1936 he participated, again against the advice of Dr. Chang, in the primary election of the National Assembly. He secured the highest number of votes in his province on the basis of a pro-Anglo-American platform and of a sound understanding of the principle that "money talks."

Tide Swiftly Turns

As soon as the result of the election was announced in Hongkong's papers, that old friend of Dr. Carson Chang's was immediately threatened by one of the late General Tai Li's entourage. The entrance of the American magazine *Asia* had already been banned. Dr. Chang's friend was blacklisted along with others who refused to profess the infallibility of the principles of Il Duce and Der Fuehrer. Since then he has been defamed, persecuted and kicked about.

Tortured and sentenced to death by the Mikado's Kempeitai for allegedly obstructing the conclusion of a separate peace between China and Japan, this amateur politician, who refused to listen to Dr. Chang's friendly advice, is now broken, deserted, despised, working in the streets to keep body and soul together.

This tragic figure is no imaginary creation of the writer. Those who closely followed the records of Hongkong's collaborators' and war criminals' trials may sense the melancholy of this crown witness who has lost the war on all sides.

History appears to repeat itself. Today, Dr. Carson Chang, as leader of China's Social Democratic Party, has let his followers participate in the National Assembly, to which he asked his friend not to aspire some years ago—the National Assembly, run by the Kuomintang which persecuted him, Dr. Chang. This change of attitude has met, it is reported, with the opposition of Dr. Chang's old comrade, Professor Chang Tung-son, for years editor of *The China Times* and currently associated with Yenching University, of which Dr. J. Leighton Stuart was president.

Group Unique

Will Dr. Carson Chang and his party, who have gone over to the Kuomintang or, at any rate, appear about to do so, suffer the same fate as did the American returned student described above?

Dr. Chang and his party inherited their principles from the scholar Liang Chi-chao and the Progressive Party in the early days of the Republic. Most of the leading members were not educated in England and America. Yet they are a unique group of armchair philosophers dedicated to a parliamentary form of government. They were consistently anti-Comintern, even when Kuomintang leadership was labelled nothing but Bolshevik. But they never attempted to organize an armed force as did the Communists and the Kuomintang.

Being bookish, they have to depend on the Kuomintang if not the Communists for professorial jobs. They have scant chance of remaining independent economically.

U.S. Advice Heeded Today

Between the Kuomintang and the Communists, China's Social Democrats have chosen the former. If the Social Democrats are to fare as have other minority parties lured over by the KMT, that is, if they are to be left cold as soon as they have served their purpose, they, the Social Democrats, can comfort themselves that they shall be immune from concentration camps and thought-control liquidation, as General Tai Li is dead and the Generalissimo follows American advice closely.

To Wall Street and to Washington's General Staff, Chinese life may be cheap if sacrificed in the interests of the anti-Comintern movement led by Generalissimo Chiang. Still, the United States is a Democracy. Public opinion still counts and the minority may become a majority. The fact that the assassination of Professor Wen I-to aroused so much resentment in America should deter Nanking from permitting its police to resort to Himmler's technique in dealing with intelligentsia who prove a nuisance.

In short, Dr. Chang's men may rest assured that their personal security is guaranteed to a large extent, even though they may not enjoy as much of the KMT hospitality for as long as they might desire.

Other Side Of Picture

On the other hand, of the Social Democrats who join the Reds the danger of wholesale extermination is acute. They would likely fall like the Kerenskys and Trotskyites.

The Kuomintang by now has practically assimilated the Political Science Clique which, with Dr. Chang's Study Clique, was persecuted in the early days of Kuomintang-Bolshevik cooperation. If the members of the Political Science Clique were able to capture so many posts of importance—as governors, ministers and district intendents—there is no reason why the Social Democrats should not be equally successful.

If in the great game of practical politics the Social Democrats are not such experts as General Chang Chun or Secretary General Wu Te-chen or banker-governor Wu Ting-chang, the Social Democrats can at least enrich Minister Chen Li-fu's entourage, which is now lacking in intellectual and philosophical source-material for the readjustment to changing conditions.

Colleagues Successful

Many of Dr. Carson Chang's former colleagues have already made good in the KMT camp. Dr. John C. H. Wu, China's ambassador to the Court of the Vatican, is one. Dr. K. C. Wu, Mayor of Shanghai, is another. Dr. Carson Chang's own brother, Mr. Chang Kia-ngau, is now one of the Kuomintang inner circle. Mr. Pan Kung-peh, formerly of *The China Times* in the anti-Kuomintang days, is now in a pivotal position of the KMT propaganda machine.

Study the leading personnel in the *Central News Agency* and *The Central Daily News;* you will be surprised to note that some of the most important positions are held by Dr. Chang's friends. Ask Minister Peng Hsueh-pei if he himself would deny that he was known as one of the Study Clique.

From all of this evidence we adduce that there is every reason to congratulate Dr. Chang's followers on their bright prospects in Kuomintang officialdom. The only difficulty will be that the Generalissimo will have to depose many employees or to create many new jobs. In their case the magnanimous leader will have to offend somebody—either his own supporters or the taxpayer.

Provincialism Factor

Among other reasons, the Social Democrats should prosper in the Kuomintang because most of them come from Kiangsu and Chekiang. Provincialism has always been an important factor in China's politics; as most intimate followers of General Chiang and Dr. Chang can talk in the same dialects, they can cooperate more easily.

There seems to be no case of saying that China's Social Democrats will be finished as soon as they surrender to the KMT. In a country subject to international power politics, a third, liberal party like the Social Democrats should not expect any effective support from the people whose will cannot be expressed.

Twilight Of Vice

II.—C.R.B. Sabotaged.

By PAO YUE

THE bogus currency issued by the puppet Central Reserve Bank was never popular with the Chinese population. The paper was of inferior quality as was the printing, and everyone knew that there was no real backing or security behind this new "legal tender"—despite elaborate statements to the contrary made by the puppet officials and the Japanese.

When the compulsory exchange of the old "fapi" notes for the new C.R.B. currency was finally decreed by Wang Ching-wei's government, which occurred less than six months after the outbreak of war in the Pacific, there was a great deal of reluctance to part with the good old notes of the three main banks—The Central Bank of China, The Bank of China, and the Bank of Communications—while the notes of the Farmers' Bank of China were declared "null and void" and not acceptable for exchange on the ground that the bank was the personal property of Generalissimo Chiang Kai-shek and without assets.

Currency Unpopular

The holders of the old currency rushed to purchase various commodities or even kept the old notes under threat of confiscation and punishment, rather than exchange them for the dubious CRB. The preposterous rate was two old dollars for one suspicious looking puppet yuan. Even on the last day of compulsory exchange there was a sudden outbreak of trouble throughout the city when ricksha coolies refused to accept fares in the new currency. This sudden rebellion exasperated the Japanese so much that the gendarmerie began to arrest all who refused the new currency. It was found that the whole thing was caused by the Japs themselves, for they had purchased rice and other foodstuffs from the country paying in old fapi notes, hence the farmers demanded the same money on the Shanghai market.

There was another curious reason for the unpopularity of the CRB currency with the local populace. The Chinese quickly discovered certain ominous signs and warnings on the notes themselves.

Fox And Winged Turtles

It developed, for instance, that on the red $5 CRB bills the pattern of intricate etched lines surrounding the middle part of the large figure "5" on both sides of the note formed two small, white-rimmed circles which together definitely resembled the eyes and even the head of a fox. Now, the fox, according to ancient Chinese beliefs, is a supernatural creature; a goblin which brings misfortune to innocent and honest persons. According to numerous mythological tales the fox can turn into a beautiful woman, and in an uncanny and predatory fashion lead unsuspecting men to their perdition. Hence these notes were considered unlucky.

It was further found that the blue $10 notes were equally "fishy." Along the edge of the etched frame on the reverse side of the bills could be perceived distinctly the ominous silhouettes of turtles—winged turtles at that, which is even worse. These animals symbolize in Chinese eyes a person without legal parents, an imbecile capable of the dirtiest acts of disloyalty and treachery, a bastard, a crook. So the $10 notes were hardly more popular than the "fivers."

While nothing special was discovered on the one dollar notes, there was strong suspicion that some highly unbecoming and unspeakable objects were concealed in the outer rim of the reverse side of the $100 notes.

But the most striking and sensational discovery was made on the 50 cent notes (also allegedly on 50 dollar notes) of the CRB. Some patient soul while examining the front side with a magnifying glass noticed something odd about the picture of Dr. Sun Yat-sen's mausoleum engraved in rather pretty bright orange and violet tints. Among the bushes and shrubbery on both sides of the great stone stairway leading to the tomb were six distinct and neatly drawn Chinese characters, skilfully hidden. At first no particular significance was attached to this because the characters were placed in deliberate disorder, but after a little experimenting the following sentence was formed: "Chung Yang ma hsanglai chia," meaning, "Central (Government) will soon be here!"

Creates Furore

This discovery, of course, created a merry furore among the citizenry. The Japs were furious and the puppet officials apprehensive. Fifty cent notes became very scarce and soon disappeared from circulation. It was rumored that the mischevious Chinese engraver fled to Free China. Fifty dollar notes were never put into circulation although it had been announced in local newspapers that several hundred million dollars worth of them had been printed. Apparently, their printed value to the puppets was not great enough to offset their propaganda value to Chungking.

Theory Of Peaceful, Democratic Revolution Developed In Japan

By HUGH DEANE

Tokyo, Jan. 17 (Airmail).

COMMUNIST Party leader Sanzo Nozaka presented to a national conference of 250 party leaders held here last week the most detailed exposition to date of the concept of peaceful, democratic revolution—now the basic theory guiding the Party.

Although the theory of peaceful, democratic revolution was officially accepted by the fifth convention of the party last March after Nozaka's return from China, the party leadership has differed somewhat over its interpretation. It is well-known that Nozaka and Kyuichi Tokuda, Secretary-General of the Communist Party, have disagreed occasionally, and during the past year there have been some confusion in Communist tactics and some contradictions in the party's pronouncements. Hence Nozaka's report to the conference represents one step in the slow working out of theory and tactics.

In an interview with Telepress last week Nozaka declared that the theory of peaceful, democratic revolution was not a tactic but "a fundamental development of Marxism as applied to the Japanese situation."

Nozaka said that the theory was based on the "tremendous changes wrought in Japan since the surrender." He enumerated four factors:

(1) dissolution of "organs of violence"—the army and navy;

(2) the attainment of civil liberties.

(3) vesting of political power in the Diet; and

(4) growth of mass movements —particularly the development of labor and peasant unions.

"Hence the Japanese Revolution can be carried out peacefully through persuasion and education," he stated.

Remarking that some Japanese regard the occupation forces as a possible "organ of violence," he said: "Occupation policies are governed by the Potsdam Declaration, and we hope that the occupation forces will withdraw as soon as a peacefully-inclined and democratic government is established in Japan. The occupation forces cannot legitimately oppose a peaceful, democratic revolution. The winning over of a majority will decide the issue."

Nozaka said that if the Communists came to power, they would recognize the legal status of other political parties. He said they would preserve freedom of speech, press, and religion.

Communist policies are being watched closely by all groups here The party has only six seats in the Diet and only 40,000 members, but it has already become a major political factor—despite the announced hostility of the occupation authorities. The basis of its strength is its dominating influence in the powerful Congress of Industrial Unions (CIU), which has organized close to 2,000,000 workers in key industries.

Communists Scored For Blocking Peace Move; Patriotism Queried

By LAM ON-PONG (林安邦)

GENERAL George C. Marshall has left China and has made his historic statement laying the blame for her troubles squarely on the shoulders of both the Kuomintang and the Communists. A casual observer would say that he was fair to a fault, and that the failure was that of China rather than of Marshall. As a third party mediator no man could have done more than the good General. But this strict third party attitude may be the very reason, in my own opinion, why, after an arduous year of running in circles, he found himself where he started.

General Marshall played straight and fair as far as the two warring parties were concerned. One may be tempted to say, too fair. It seems he has sat too squarely on the fence. It his eagerness to find a settlement he may have forgotten that one party still represents the recognized government, while the other is only a major party. Until the establishment of a constitutional government one is the host, the other only a guest. Strict equality under this social status, in China, is viewed with distaste as unmannerly. Face is a mighty force in this country. What is more, since its advent the Communist Party has been nothing but a pain in the neck to the KMT during the revolution, contributing nothing but misery and sorrow to its countrymen.

Nearer Democracy

On the other hand, it is true that the government under KMT rule is beyond whitewashing in more than one respect. There are indeed bad elements and corruption, but there are liberal elements, too, not to mention the undisputed leadership of President Chiang Kai-shek. Within the KMT these are fighting all the time for good government and true democracy. Comparing the KMT and the Communists by ideology and by practice, it seems to me, a man without political affiliations, that the former is nearer democracy than is the latter.

Take freedom of speech, for instance. Under democracy, "freedom" means that one can do what one likes within the limits of the law; that is, provided that one's actions do not infringe upon the rights of other people. There are limits to personal freedom, as there should be. Freedom under true democracy is constructive, not destructive. It follows that freedom of speech does not mean that anyone can say anything he pleases, irrespective of consequences. Freedom of speech is limited by libel laws. One must be able to prove one's accusations in court. In other words, there is freedom of speech as long as one's criticisms are constructive and not destructive. True freedom is disciplined, civilized and humane.

With this in mind, let us look at the existing independent publications in Shanghai, both foreign and vernacular, like *The Shanghai Evening Post & Mercury*, the *Ta Kung Pao*, this *Review*, etc. No intelligent reader can fail to recognize that their editorials are aggressive but constructive. The *Post* has recently acknowledged editorially that its editorial policy has never been intimidated. The frankness and to the point policy of the *Ta Kung Pao* refreshes anyone who reads it.

Freedom Exists

To what does this boil down? There is a semblance of freedom of speech existing in China at this very moment, and anyone who gets a "kick in the pants" should re-examine his own policy and tact: usually there are more reasons than meet the eye for his being jailed or shot, because China is only on the threshold of true democracy, hence the methods of dealing with a tactless, and shall we say reckless, critic, still remain a bit old fashioned.

Now what is the state of things in the so-called Liberated Areas? There is only one Communist operated newspaper and one official radio station. Who dares criticize the party leaders openly, knowing that thereby he and his kin may summarily be sent to Kingdom Come? The Communists have often boasted of their good government; so did Japan, Italy and Hitler's Germany. Autocratic governments usually produce effective results superficially, but if you go deep into the individual's life you find obedience mechanical and terrorized. There is no semblance of anything approaching democracy in Communism, whether it be Stalin's brand or Mao Tse-tung's.

Atrocities Charged To Reds

Now let us look at Communist tactics in trying to grab political power. The *Shun Pao* on December 18, 1946, carried a story of slaughter by the Communist forces at Chungli Hsien. The incident was reported by Waldo Drake of the *Los Angeles Times* and appeared in the *China Daily Tribune* on January 19, 1947. Reporters were shown the naked mutilated bodies of hundreds of non-combatants wantonly slain and left in the burned compound of a Catholic church, among them the bodies of several priests. The *Shun Pao* offers a particularly lurid description of the scene; of dazed half-mad refugees hunting amid the carnage for the bodies of their relatives, slaughtered in various inhuman ways.

On January 18, the *Shun Pao* and the *Sin Wen Pao* carried another story of the "liquidation" of 120 civil servants and teachers caught in the Communist capture of Ching Hsui Ho. More than 200 local merchants also allegedly were murdered and half of the houses within the city burned.

On the same day the *Shun Pao* carried a *Reuter's* report of the brutal murder of Catholic Fathers Hallson and Jansen by the New Fourth Army on their seizure of In-dor, 60 kilometers east of Hsuchow, on January 1.

Trail Long, Bloody

What do the above reports and similar stories recall to your mind, gentle readers? Don't they bear the same bloody signatures as deeds of Hitler and Tojo? Mind you, these are only a few instances, recently disclosed. The trail of the Chinese Communists is long, bloody, and unmistakably marked. They war against not only the KMT but all of the Chinese people and anyone else who happens to be in their way, Americans included.

In my opinion the Communists never intended to participate in any coalition. Otherwise, why this ridiculous evasiveness of conciliation and cooperation? Let us review the whole Marshall mediation episode briefly. To date the Communists still hold fast to their ridiculous conditions for the resumption of Government-proposed peace negotiations, i.e., (1) retreat to January 13 military dispositions, and (2) nullification of the national constitution.

If my memory serves me correctly, the reason the January 13 truce was not carried out was that the Communists continued to attack successfully soon after the truce was signed; later the Nationalists counterattacked and the Communists suffered reverse after reverse, until now their military dispositions are far from those of January 13. Their demand on this count is not only childish; it shows what poor losers the Communists are!

Their demand that the constitution be nullified reveals extreme impudence, not only to the Government, but to the Chinese pepole as a whole. Their reason is that the Communists did not take part in the Assembly; they don't even claim that the adopted constitution was a one party affair because they know perfectly well that the Constitution includes Communists' views engendered during the PCC convention. Their obstinacy clearly shows that the Communists want complete dominance of the whole of China, or else—. Complete distrust, as General Marshall puts it, is painting the picture too mildly.

Danger To World Peace

In his last speech concerning U.S.-China policy, President Truman made it clear that the civil war in China may endanger international peace. Then the whole thing must be considered in an international sense. Marshall's failure must be considered from a wider viewpoint. Who is the bogeyman behind the Chinese Communists? Clearly, it is Uncle Joe Stalin, otherwise our Communist patriots would also demand the clearing out of Russian troops from China as well as the Americans, whose stationing here has been requested by the recognized Chinese Government. Perhaps the Russians' stay has been requested by the Chinese Communists?

We must seek understanding of the Chinese situation in Russian policy. During the war, Russia, to please (or shall we be frank—to fool) her Allies, declared her relinquishment of the Third International Policy. But we should be convinced by Rus-

Many Problems Besides Exchange Confront "Export Brain Trust"

By J. R. KAIM

REPORTS from Nanking indicate that Premier T. V. Soong in the near future will form some sort of a brain trust with a view to the rebuilding of China's export trade. Barely a week before that announcement was issued, an American purchasing agent, at that time in Shanghai, made it clear that in his opinion China would have quite a few products saleable on the American market if the buying power of the U.S. dollar in China were not so low.

No one doubts that the Nanking Government is well aware of the manifold obstacles handicapping the country's export trade. No further information from abroad is needed to make it clear that under prevailing conditions exports will not balance the necessary imports. Nor can the government fail to see that the small buying power of the U.S. dollar is not the only obstacle.

On the other hand, it is true that in some lines export results were better in November 1946 than in the middle of the past year. Though at the time of writing no December statistics were yet available, it is quite possible that they will show further improvement. But on the whole results are far behind pre-war figures and with prices increasing and the official TT rate remaining unchanged, there is little hope for real improvement unless new methods are found and sounder foundations created.

The low buying power of foreign exchange is one thing, the question of quality another, and comparatively high prices a third. In regard to the last point, the fact is that even calculated on the basis of the black market rate of exchange, various Chinese products appear to be more expensive than competing products abroad. Since August last when the devaluation of the national currency was announced, the prices of several products, raw materials as well as manufactured goods, have gained more than gold and also more than the greenback on the unofficial market. Numerous other items have gained less. There he has been no uniform development.

A few examples may help to illustrate the situation and to show that the problem is more complicated than appears at first glance. They may also prove that the government is quite right in maintaining that more than a realistic rate of exchange is necessary to remedy the situation. For, if the Government follows the advice of those advocating a rate of exchange equal to the black market quotation, it will not suffice to arrive at competitive prices in some lines; if a still higher rate is fixed (some advocate a CNC$10,000-US$1 rate), it is obvious that imported raw materials would become so expensive that locally manufactured goods must increase in price rapidly and drastically. So would the cost of living index.

Since the end of August, 1946, gold has gone up about 82 percent on the local market; the greenback around 95 percent. During the same period raw silk gained 60 percent, goose feathers about 58 percent, bristles only 45 percent. These three commodities and several others have gained less than gold and U.S. dollars. On the other hand, hides have risen in price by an average of 85 percent; three kinds of tea by around 95 percent: and cotton yarn by an average of 110 percent. Locally manufactured consumers' textile goods, such as silken hosiery, cotton socks and towels have gone up in price between 90 and 120 percent.

Still Too High

In other words, were the Government to fix an exchange rate equal to the black market quotation, and were all commodity prices to be frozen (an impossible supposition, of course), cotton yarn would still be too expensive and cotton goods still would be unexportable. The point may be raised that, in spite of all, such goods have been exported. But dealers claim that in many cases shipments were made on a consignment basis and have not worked out profitably. Prices abroad were often too low.

Furthermore, while in 1938 China exported, for instance, 512,000 dozen cotton socks and 1,730,000 dozen in 1939, she was able to ship only 141,600 dozen during the first 11 months of 1946—less than 10 percent of 1939's export. Only 3,000 quintals of towels were shipped in 1946 as opposed to nearly 8,000 quintals in 1939. More than 90 percent of the 1946 figure was destined for Hongkong. What "Hongkong" actually stands for in this instance is open to speculation.

Quality Also Factor

Obviously, with such widely divergent price developments the whole problem cannot be solved by monetary means alone. The needs of the various groups of manufacturers vary, and therefore the government's plan to convoke an assembly of theorists as well as practical businessmen seems a sound one. Still, there remains the problem of quality and in this respect matters are not very promising.

Reports from abroad as well as letters received by local merchants indicate that Chinese goods are not considered "rubbish" by any means. On the contrary, this writer has seen letters to the effect that while samples were of the expected quality, prices were too high. However, most of such letters referred to manufactured goods. It appears that many raw materials and other manufactured products were less satisfactory. This proved the case with bristles, feathers and raw silk.

Thus, the export brain trust, or whatever it officially is to be called, will be confronted with many different problems of which financial measures will be only a part. For, while it is easy enough to find means to help the export trade for a couple of weeks, it is evident that in order to bring about a lasting improvement something more than a simple readjustment of the exchange rate will be needed.

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sia's policy since World War II that within the Soviet Politburo the "Two Truths" are very much alive.

For those who are not acquainted with this quaint term, let me explain. The Politburo is the highest ruling council of the Soviet Union, with Uncle Stalin as its indisputable chairman. The Two Truths represent two sets of policy—one for the information of the world at large; another, safely locked away, contains the rules for the Soviet world dream, which is never changed, unless, of course, according to Stalin's wish.

The suspicion is not unfounded that the stripping of Manchurian industry was done purposely to add to the chaos in China, and in order that the Chinese Communists could climb to political eminence, through military seizure and political blackmail. If we study Communists all over the world, they are a strange breed—they take orders from Moscow and seem to have forgotten their own nationality. In America today there is a general revulsion against Communists; even labor unions often discriminate against them. Under Secretary Vincent of the U.S. State Department was contemptuously branded as a "Red cell." That may be the reason, it is rumored, he is contemplating resignation when General Marshall takes over the position of Secretary of State.

Patriotism Challenged

Were the Communists sincere in their professions of democracy, were they not tied to Uncle Joe's apron strings, they would give the people a chance to make their choice in a non-military general election. But they are conscious of their bloody hands; they know which side intelligent and enlightened Chinese would choose. In short, they are, like gangsters, yellow without their guns.

If they were real patriots they would think not of their party rights alone but of the suffering people. We, the common people, are ready to forgive and forget bad government, inefficiency and corruption on an astronomical scale, but we have only dark resentment for those who hold the key to peace in this country but refuse to use it.

If my tiny voice can reach the august ears of the Communists, I repeat: Give the people a chance. Don't let your countrymen brand you as the international tools of Soviet Russia.

Looking at the Chinese problem from this viewpoint, the outcome, should the Communists obtain full autocratic control, would be too terrible. Many have been clamoring, Communists included, for a change of U.S. policy in China. It seems to me there is indeed a necessity of overhauling the worn out vacillating policy. There should be no more sitting on the fence. There should be a definite right turn. If America quits China now and washes her hands of us—for whom will the bell toll eventually? It may toll for you, too, America.

Communists Claim Towns Traded For Huge Kuomintang Losses

By ANNA LOUISE STRONG

YENAN, January 19.

TWO MILLION men on the one side, a million and a half on the other make this the biggest war of China's history. The fighting has gone on for six months in 10 provinces. Across the estimated half a million casualties, strategies begin to appear.

Chiang Kai-shek concentrates on taking the Communist cities. The Communists concentrate on taking Chiang's troops. Both sides can point to spectacular victories, each in its chosen sphere.

Chiang has taken 183 towns from the Communists. The Communists took some 50 back but Chiang still has a net gain of 130. These include the important regional capitals — Kalgan, Chengteh, Huaiyin, and all but one of the county seats of North Kiangsu, some of which, however, the Communists took back last week. Chiang wiped out the Central Plains Liberated Area north of Hankow. His troops harry the southern fringe of the Yenan Border Region, and have overrun 100 villages and townlets there.

Reds Not Discouraged

Not a single Communist seems discouraged. If Chiang can brag of his victories, so can they. They think that theirs are more important. They have been "annihilating" Chiang's troops. They claim to have finished off half a million of them. Not by anything so crude as murders, but by capturing and converting to their side.

The two strategies are so different that it is surprising they can meet, even in battle. Chiang, with the superiority in arms and manpower, seeks the control of North China by trying to open railroads and by seizing strategic towns. The Communists walk off with the rails to the hills and put their main attention on a "land reform." Whereupon, Chiang's strategic cities are seen to be lonely garrisons drowned in a Communist-ruled countryside.

There are, quite often, battles. The Communists lose cities, but they don't lose battles. They can't afford to. Chiang has munitions to spare, the Communists haven't. They must make every battle pay dividends in men and munitions. So they don't fight the battles for cities. At least not yet. Their military men say, unsentimentally, "it is not our strategy."

When Chiang's men approach a city in force the Communists pull out. "Please! Let him come in!" said a Communist leader, "We watch from the hills."

Ambushes Favored

Sooner or later, and usually pretty soon, these watchers from the hills see chances to ambush some detachment of Chiang's . . . . a squad of four brigades—all is fish to their net. They sweep down with overwhelming forces to encircle and to "annihilate."

Their aim is not so much to kill as to capture. There is fighting, of course, with casualties claiming 20 percent of the encircled men. Most of them, however, are taken intact with their weapons. In another week they are fighting on the Communist side.

An example of this tactic was given me by General Chang, Chief of Staff for the Communist forces in Southwest Shansi, which had "annihilated" five of Chiang's brigades in as many months, thereby increasing these forces some 20 percent. These troops first withdrew without fighting, letting Chiang's General Hu Tsung-nan take a string of towns along a railway, from which the Communists had first removed the rails.

Brigades Trapped

The Communists allowed "information" to reach General Hu Tsung-nan that their main forces were at a certain place some 60 miles away. He sent three brigades posthaste to converge on that spot. The Communists, whose main forces actually were only 15 miles from Hu's headquarters, swept down to encircle one of these brigades and cut it to pieces in 24 hours' fighting, while the other brigades and all possible reinforcements were kept away by lesser actions of local village guerrillas.

Results, one brigade "annihilated" and the Communist Army increased a few days later by 5,700 men and a lot of American arms. This particular first brigade had been one of Chiang's best.

It might be thought that Chiang's generals would soon learn to circumvent these tactics, but they work again and again. The Communists say the Japs finally learned the Communist strategy, but it took them eight years. They accuse Chiang of keeping Okamura, former Commander of the Jap forces in China, as adviser in Nanking to tell him how to fight the civil war. The Communists think this is hitting below the belt, "but it won't help him," they say. "We have new tricks invented for Chiang."

Just now, radio reports pour into Yenan giving the figures of six months of civil war on every front. Any child on the streets keeps records on "annihilated brigades" just as American boys did of World War II's. And every child knows that the cities don't matter, not even if Yenan itself should be occupied.

462,000 Men Lost In 1946

General Chen Yi of the New Fourth Army in Shantung reports some 500 engagements in which 50,399 of Chiang's men were killed and wounded and 71,550 taken prisoner. General Lin Piao by radio from Harbin reports 1,826 engagements in 1946 in Manchuria, in which Chiang's losses were 161,460. Record is held by General Liu Po-cheng along the Lunghai Railway, who reports 3,923 engagements during which nearly 18 of the 49 Kuomintang brigades attacking his area were wiped out—60,093 killed and wounded, and 94,503 captured.

It was Liu who said to the Yenan Radio Correspondent in December: "I have traded 17 empty towns for 140,000 of Chiang's men. It is said Chiang thinks this a good bargain and wants to keep on. It's okay with me."

The Communists claim a grand total of 462,000 of Chiang's men swept away in 1946, and another 27,000 in the first week of 1947 when three and a half brigades were encircled in Shantung near Linyi. The Communist forces, meanwhile, are considerably stronger in manpower and munitions than six months ago. "In another three months, if the present rate continues," they say, "our strength and Chiang's will balance and we shall begin to take back towns."

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NEWS OF THE WEEK

Peace Talk Vanishes; Economic, Political Plans Appear

THE prospects for the resumption of peace parleys in China were definitely non-existent last week as official statements and reports from Nanking signified that the Government had "girded its loins" with a number of economic and political programs designed to cover the next five years. There were reports that Dr. T. V. Soong would head a committee whose business it would be to sparkplug China's exports out of the lethargy of the past year or so.

In Nanking it was said that the period given China to set her economic house in order, to be eligible for the US$500,000,000 loan, which it was said in Washington could be reserved for only another five months, was "far too short" if the American Government expects a solution of "the Communist question" before economic stability.

In this connection, Secretary-General of the Government Gen. Wu Ting-chang took occasion to stress that peace was a prerequisite to the solution of China's economic problems. General Wu also revealed that the Generalissimo had just approved and handed to the Executive Yuan a five-year plan of economic reconstruction which would involve the expenditure of CNC$220,000,000,000 at the prewar value of the fapi.

Gen. Wu further revealed that 38 percent of the plan would cover the development of communications, 27 percent would go for industry, 11 percent for mining, 12 percent for power output, nine percent for water conservancy and five percent for agriculture.

None of the details of the plan have been revealed.

Late last week it was announced in Nanking that the reorganization of the Government which was to take place on February 1, is to be delayed, inasmuch as "plans for the reorganization are still in the stage of preliminary discussions." The pro-Government *Ta Kung Pao* said that the Young China Party has decided upon its terms for participation in the reorganized Government.

The Executive Yuan promulgated a set of regulations governing land property rights in areas recovered from the Communists and aimed at restoring all land to the original owners and also to readjust the relations with tenant farmers. These regulations became effective on the day of promulgation.

One of the regulations stressed that tenant farmers are to continue working as before but rent must not exceed one-third of the products gathered. The district government is to take over land whose owners have disappeared.

U.S. Ends China Mediation

THE United States has announced its withdrawal from all participation in peace negotiations in China and will not be a member of either the Excutive Headquarters or the Committee of Three, the U.S. Embassy revealed on Wednesday. The Chinese Government followed this announcement with the statement that it would continue to try to reorganize the government without the participation of the Communists and on a platform of "political democratization."

In mid-week Hsu Kan, Comptroller-General, revealed that the "National Government has drawn up concrete and effective measures to stabilize China's economic conditions." He promised that the Government's CNC$9,300,000,000,000 budget for the current fiscal year would not be doubled when it came to actual expenditure. He said that revenues for this year are three times those of last year, party expenditures are excluded from the budget, military expenditures will not exceed 36 percent, there is an increase in reconstruction expenditures, while educational expenses have been raised to more than four percent of the budget.

* * *

EUROPE

A SIGNIFICANT exchange of memoranda occurred last week between British Foreign Minister Ernest Bevin and USSR Prime Minister Josef Stalin over the future of the Anglo-Soviet alliance concluded in the heat of battle against Germany.

Bevin's speech in which he said that Britain was not tied to any country except in regard to her obligations under the Charter of the United Nations, was interpreted in Moscow as slighting the importance of the Anglo-Soviet Treaty of alliance and post-war collaboration.

The incident began with recriminations on both sides but was settled after the personal exchange of messages between Bevin and Stalin, apparently to the satisfaction of all concerned.

Stalin said that the treaty could be extended, as suggested by Britain, only in the event that it is broadened.

"I must say that if one is to speak, seriously of such an extension of the treaty, then before extending this treaty it is necessary to change it freeing it from the reservations which weaken this treaty...." Stalin said.

* * *

France at last got a coalition government headed by Paul Ramadier, newly elected Socialist Prime Minister. In the new cabinet the apple of discord—the National Defense Ministry—went to the Communist Francois Billeux, but the Ministries of War, Air and Navy went to Popular Republicans, Radicals and independent conservatives, reportedly, to restrict the powers of the Communist defense minister.

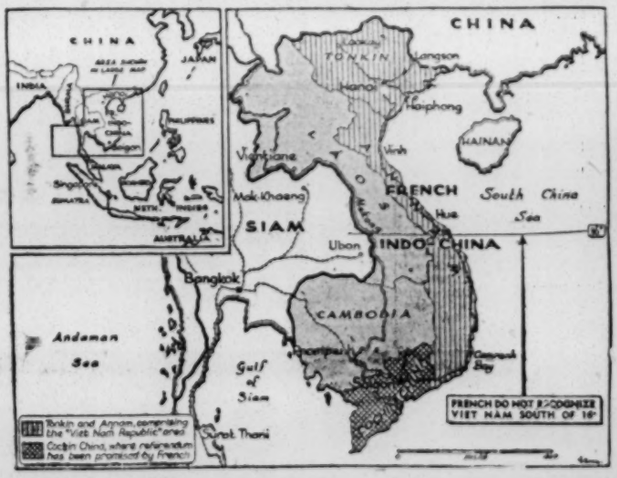
The entry of Communists in the French Government puts them in a most ambiguous position since it is known that they are against solving France's present major problem—the hostilities in Indo-China—by force of arms. Prior to the formation of the Government, the Communists had voiced opposition to the policy followed by Marius Moutet in Vietnam who said that a military decision must precede peace talks.

This contradiction is expected to precipitate a Cabinet crisis in the near future, inasmuch as the Socialists and Popular Republicans adhere to the military decision solution.

* * *

In Hanoi, the Chinese population which had been trapped since December 19, was last week evacuated to safer quarters, together with 40 Vietnamese and 192 Indian civilians. French forces opened their first full-scale attack against the section of Hanoi held by the Vietnamese with the objective of freeing the railway running through the battle area.

Other reports said that hostilities continued to spread and have reached the formerly peaceful Cochin-China.



China's Civil War

As Reported Day By Day In The Press

January 22, 1947

YENAN Radio reported that Kuomintang General Ma Li-wu, commander in chief of the KMT forces attacking Linyi, capital of Shantung areas held by the Reds, was captured when New Fourth Army forces under Gen. Chen Yi, took Yihsien on a branch line of the Tsinpu railway.

* * *

January 23, 1947

The loss of Tsaochuang, 46 miles northeast of Hsuchow, was announced by *Central News*, 24 hours after the National Defense Ministry said that Gen. Hsueh Yueh, pacification commander in the area, had awarded the garrison CNC-$10,000,000 for the "brilliant defense of the city."

Central News said that after capturing Tsaochuang, the Reds proceeded to Lincheng, 15 miles further to the West.

Official military sources declared in Nanking that the areas of Kiangsu province situated south of the Lunghai railway have been cleared of Communist troops.

* * *

January 24, 1947

Nationalist forces hurled a strong counter-offensive against the Communists in Central Shansi province, while Government troops in Manchuria continued to push the Communists across the Sungari river, *AP* reported from Peiping.

Central News said that the Nationalist counter-offensive in the Fengyang region, 60 miles southwest of Taiyuan, "made swift progress." Hsiaoyi, five miles southwest of Fengyang, was captured by the Communists two days ago.

* * *

January 25, 1947

Tsingtien, 34 miles south of the Hopei city of Paoting, was under siege by about 100,000 Communist troops, who had recently taken Wangtu and Tsingfengtien, about 20 miles to the northeast. The position of the garrison is said to be critical and supplies have been dropped from the air, according to *Reuter's*.

Other dispatches from Peiping said that the Reds had already taken Tsingtien and another nearby town, thus threatening the Peiping-Hankow line.

In Central Shansi, Gen. Yen Hsi-shan's counter-offensive has lifted the threat against Fengyang, 60 miles southwest of Taiyuan, according to *AP*.

* * *

January 26, 1947

The Communist *New China News Agency* issued a statement serving notice that the Communists may withdraw from Executive Headquarters completely unless their delegation in Changchun, which has been held incommunicado for the past 10 days, is restored its facilities for communication with Harbin and Peiping, *UP* reported. "The Communist branch in Peiping is worried about the safety of the Communist branch in Changchun," the statement said.

General Tu Yu-ming's forces in Manchuria were advancing toward the Sungari river after "cracking the Communist offensive in Kirin province," *Central News* reported from Nanking. The agency said the Nationalists recovered the towns of Chitamu, Erhtaokuo, Chiaochialing, Tafunghsin and Tachiakuo, and have consolidated their positions at Changchun.

Minister of National Defense Pai Chung-hsi told the press in Nanking, in connection with the Red capture of Tsaochuang, that he was optimistic, because "the loss and capture of cities is a mere commonplace in this war."

* * *

January 27, 1947

Heavy fighting was reported spreading in Kirin, Hopei and Shantung provinces, according to *UP*.

The National Defense Ministry said that Ho Peng-chu, puppet commander who allegedly went over to the Communists in the Hsuchow-Haichow area, has now gone over to the Government side bringing with him about 15,000 men, *Central News* reported.

General Chen Cheng, who is visiting Hsuchow, will prolong his stay there to direct military operations in person against the Reds in the North Kiangsu-South Shantung area.

Communist troops under Gen. Chen Yi were attacking Taierchuang, in south Shantung. Other Red troops were reported massing 18 miles from Hsuchow.

* * *

January 28, 1947

The Nationalists reoccupied Peihsien, 48 miles northeast of Hsuchow, while the Communists continued their attacks against Taierchuang.

The Communists, after taking Tsingtien, 36 miles southwest of Paoting, are now attacking Hsinloh, 12 miles south of Paoting.

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Gold, Greenbacks, Rice Display Firm Trend Throughout Week

LITTLE business was done during the week ending January 25 owing to the Lunar New Year holidays. However, the market trend was, on the whole, very firm both in the financial and commodity markets.

Gold, which was quoted at CNC$3,850,000 on January 18, rose to CNC$4,110,000 by Saturday because of the large demand by both outport merchants, local speculators and office clerks and factory workers who had received their annual bonuses.

In view of the firm trend, the Central Bank of China showed determination in supplying gold to the black market. During the week, the Central Bank sold more than 3,000 bars in the black market in addition to 6,423 bars to the gold shops at various quotations. This Monday and Tuesday, the Central Bank continued to sell gold bars amounting to well over 10,000 and held the gold rate down to CNC$3,900,000.

US$ Market Quiet

The American bank note market was very quiet with quotations closing at CNC$7,200 last Saturday However, with the downward trend of gold prices this week, American bank notes dropped to CNC$6,750 by January 29.

In the stock and share market, business was brisk during the week under review. Wing On Textile rose to a peak of CNC$860 this Monday, while stocks and shares of small factories increased by 50 percent. However, due to the tight money situation created by the sale of large numbers of gold bars, quotations in the Shanghai Securities Exchange dropped this Tuesday. Wing On Textile was quoted around CNC$790 on that day.

Commodities ruled very firm after the holidays. Cotton yarn and cotton cloth remained steady because of large sales of these products by the China Textile Development Company, in an attempt to stabilize the markets in general. Well-informed circles stated that on January 28 the China Textile Development Company sold 2,700 pieces of yarn, calling in CNC$7,000,000,000. On January 28, the China Textile Development Company sold 58,450 pieces of coton cloth, calling in another CNC$7,000,000,000. It seems that the Government is now in a position to hold down the prices of gold, cotton yarn and cotton cloth as large quantities of gold and cotton products are in the hands of government offices.

Rice Trend Firm

The most important problem is that of the firm trend of rice on the local market. Although the official price has been raised from CNC$60,000 to CNC$68,000 per picul, rice shops refuse to sell at the official price owing to the general firm trend of the market. The Bureau of Social Affairs, in an attempt to hold down the prices, sold Saigon rice on the black market at official prices but there was little demand because of the poor quality of the Saigon rice. It is reported that large quantities of Saigon rice have been ordered by the Central Trust and will be shipped here.

The following table gives quotations of some of the leading commodities in town:

	Jan.-18 CNC$	Jan. 25 CNC$
Gold bars	3,850,000	4,110,000
US Dollar Notes	6,550	7,200
Bond C	2,050	2,280
Wing On Textile	735	836
Ewo Cotton	8,500	8,550

ROBERT W. SQUIRE, representative of a chain of 36 American department stores, currently in Shanghai, urged that the foreign exchange regulations should be abolished. He said that the situation in which CN$3,350 is paid for US$1 by the government when the black market rate tops CN$6,500 is "a joke."

* * *

LEI CHI-LIN'S arrest by the Nanking High Court, December 29, set off a telegraphic dispute between Gen. Ma Hung-kwei, governor of Ninghsia, of which Lei was a National Assembly delegate, and three other members of the Ninghsia delegation, who maintain that Ma "overstepped the limits of the law in issuing a warrent for Lei's arrest." The delegate is accused of agitating for a civil war.

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BUSINESS FOOT-NOTES

Outlining the tariff policy of Australia, Prime Minister Joseph B. Chifley stated in Canberra last week that while it might be necessary to contemplate some tariff reductions as part of the international trade negotiations, Australia's progressive industrialization would be protected by trade barriers. He added that Australia would in no circumstances give up any tariff preferences, unless she was awarded compensating benefits.

* * *

For the first time in 10 years the Taku harbor and the Peiho outside the Taku bar have frozen over, with many ships locked in a grip of ice, *AP* reported from Tientsin early this week. The temperature in the North has dipped to 18 degrees below zero and Chinwangtao harbor is also reported iced over.

* * *

The joint silk factory operated by the National Cooperative and Supply Section of the Ministry of Social Affairs, the Municipal Bureau of the Social Affairs here and the China Silk Corporation, will soon start operation, the *Ta Kung Pao* said last week. Wong Ta-kong, of the China Silk, has been appointed chief of the corporation, while Chen Chung-min, of the Ministry of Social Affairs, has been named his assistant.

* * *

The U.S. Commercial Company's action in setting the floor on prices at which it will offer Japanese raw silk next week gives an assurance that it will not dump the silk on the market or attempt to undercut its prices in subsequent sales, according to reports from Washington. The purpose of the assurance issued by the company was to stabilize the market and to stimulate prices.

* * *

The Chinese Customs has been reestablished in Manchuria, *UP* reported from Nanking early this week. The first customs station has been set up in Mukden to reestablish a simplified customs examination system for commerce between China Proper and Manchuria. The Customs was withdrawn from Manchuria in 1931.

* * *

In the five days between January 17 and 21, the Central Bank of China issued CNC$500,000,000,000 worth of the new 250 and 500 unit denominations of the Customs Gold Unit, the *Fei Pao* wrote last week. Other sources said that a revision of the exchange rate is expected in the near future, at which time new CNC$5,000 and CNC$10,000 notes will also be issued.

* * *

China's new Banking Law, which is to be completed in two or three months' time, will allow existing foreign banks in China to operate on their present status, but will not permit these banks to do business in savings, trust and ordinary deposits, according to Dr. Chao-yuen C. Chang, member of the Legislative Yuan, who is currently drafting the law, the *China Press* reported last week.

* * *

American domestic consumption of Japanese raw silk this year may be about 8,000 bales per month, bringing total domestic consumption to around 100,000 bales annually, *Reuter's* cabled from New York. Present stocks in the United States and Japan are placed at about 135,000 bales.

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Britain's Labor Government is preparing to assume absolute control over all future real estate developments in the United Kingdom and last week began attempts to pass a corresponding bill through the House of Commons. The conservative opposition has evinced rising criticism of the measure, and has promised to make the debate, which was scheduled to begin this week, the hardest battle the government will have to fight this year.

* * *

The hand-made rug and carpet industry in Tientsin is facing total collapse, the Tientsin *Ta Kung Pao* reported. The industry has been recently manufacturing around 20,000 square feet of rugs and carpets monthly, which has allowed the infiltration of Indian and Turkish floor-covering into former Chinese rug markets.

* * *

Twelve CNRRA junks which sailed out of Canton more than four months ago with cargoes of CNRRA relief supplies have thus far not been located by search parties which scoured the pirate-ridden South China Seas. The junks carried about 250 tons of supplies destined for Pakhoi, and part of them are believed to have been lost in a heavy typhoon in September, while the rest must have fallen victims of pirates in those waters.

* * *

Americans with property in Japan or Germany may now communicate directly with business interests in those countries, the State Department announced in Washington last week. Under wartime restrictions, such direct communications were prohibited and inquiries had to be sent through the department. Communications directing specific business transactions are still prohibited, however.

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The 1,000,000 piculs of Japanese cocoons which were last week the subject of negotiations between the Chinese authorities and SCAP will not, after all, be shipped to China, inasmuch as the price asked per pound is US$2.77, considerably higher than the US$1.50 per pound that China can afford to pay, the *Ta Kung Pao* said. The paper wrote that these prices would hike the per pound cost of raw silk to US$12, which would double the present raw silk prices in New York.

* * *

Overseas remittances received through the Bank of China showed a drastic decrease during the last quarter of 1946, when only CNC$3,678,487,442 worth of foreign currency was remitted to China, as compared with the peak months of April and August, when more than CNC$8,500,000,000 worth of currency had been remitted by Overseas Chinese.

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A Mukden report carried by *Reuter's* says that the first postwar sales contract between British trade interests and Chinese in the Northeast has been signed for delivery of 100,000 tons of soybean from Manchuria. The price has been fixed at about £38 per ton.

* * *

An anti-American goods boycott movement has been started in Szechuen by the Chamber of Commerce in Chengtu, and is said to be supported by industrial and commercial circles, the *Lien Ho Wan Pao* reported. The movement has as its slogan the "Buy Chinese" motif.

* * *

Following repeated appeals to the Government, it has been decided that private Chinese shipping circles which suffered losses in shipping during wartime will be granted, in the form of compensation, an estimated 120,000 tons of shipping, valued at US$12,000,000, the *Shun Pao* said. The Government has reportedly ordered this tonnage from abroad.

Old China Hands

Shanghai may expect to welcome back Hal P. Mills, long a Shanghai newspaperman and prewar publisher of the *Hwa Mei Wan Pao*. Mr. Mills is at present in the Ford Miley Veterans' Hospital in San Francisco, recovering from a lingering throat hemorrhage caused by choking in the Bridge House, but he plans to return to his Shanghai interests when he is discharged.

News has just reached Shanghai of the death of Alice Pickford Evans in Newton, Massachusetts, on Christmas Day. Mrs. Evans was an author and the leader of numerous philanthropic activities for which she was decorated by the Chinese Government. The Pickford Memorial Hospital and the Pickford Memorial Church (Baptist) at Kinghwa, Chekiang, and a large leper colony on Tai-Kam Island are among the achievements for which she will be remembered.

John Frank Stevens, a Shanghai prewar businessman, has joined the newly organized firm of Pirnie, Lee & Co., Inc., New York, as executive vice-president. The firm will deal in world-wide export-import business and act as correspondent for Pirnie, Lee & Co., Federal Inc. U.S.A., another new firm incorporated under the China Trade Act with offices in Hongkong and Canton.

Mrs. Inez Greig McGowan and her two daughters are to be paid US$60,000 for their share in the North China Ford distributing agency, which has gone into dissolution, Mr. Harry A. Lucker becoming sole owner of the corporation. Mrs. McGowan is the widow of Louis O. McGowan of New York, who with Mr. Lucker founded the China-American Trading Co. more than 25 years ago. Mr. McGowan died in China 10 years ago, leaving his interest in the corporation to his widow and children. Half of any reparations received from the Japanese are to revert to them.

Serge M. Rubinstein, formerly of Shanghai, is on trial for draft dodging in the United States. The international financier was indicted on charges of swearing falsely on draft questionnaires that he was an essential employee of the Taylorcraft Aviation Corporation and that his induction would leave his family and other dependents without financial means. According to the prosecution, the defense has been delaying the trial by requesting time to send to South America and to London for testimony which they did not intend to use.

Mr. W. Walton Butterworth, United States Councillor of Embassy, paid a flying visit to Shanghai last week. He was here for a few days over the Chinese New Year.

Captain William L. (Bill) Painter is the proud father of an eight pound three ounce boy born last December 28, according to reports which have only just reached Shanghai. Mrs. Painter and child both were reported doing well.

Last week in this column it was erroneously stated that Mr. Gidley-Baird, who recently returned to Shanghai, is associated with the Texas Co. Mr. Gidley-Baird is with the Shell Oil Co. of China, Ltd.

What U.S. Papers Say . . .

LAST WEEK the American press commented on the report that Generalissimo Chiang's book China's Destiny is being published in the U.S., and also on the new Rockefeller grant for his Peiping medical center. Other editorials discussed events in India.

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DESTINY

THE *New York Herald Tribune* said that the simultaneous publication by two firms of China's Destiny is a "current" curiosity of international politics." One translation, issued by Roy Publishers, appeared last week, and was prepared by two Chinese scholars who are not named and has notes and a commentary by Philip Jaffe, "an authority on Asia whose sympathies are of the left."

The other translation, issued by MacMillan, appeared this week, and was prepared by Dr. Wang Chung-hui, "distinguished Chinese scholar, former foreign minister and a close friend of the Generalissimo," the paper said.

"Either version will be worth the attention of those interested in China. It is not likely that differences in translation will be considerable. No matter what version is read (there are at least two in Chinese and several, of which most were privately printed, in English), the especially interesting points for an American are the book's condemnations of the Western Powers and its expression of the Generalissimo's philosophy," the *Herald Tribune* wrote.

Mr. Jaffe and other critics of the Generalissimo have made much of the anti-foreign theme in the book but it is difficult to "find much justification in their complaints," the paper continued. The Generalissimo is the chief executive of a country which has suffered for 100 years from imperialist ventures of other nations. He may be more bitter on the subject than cautious diplomacy would make advisable. But unquestioned facts of history give plenty of reason for bitterness.

"Another point stressed by Mr. Jaffe is that the Generalissimo's thinking is strongly influenced by Confucius. This is equivalent to a complaint that President Truman believes in the Christian religion. Mr. Truman lives in a country where there are approximately 130,000,000 other Christians. The Generalissimo lives in a country where there are approximately 450,000,000 other Chinese who have been influenced by Confucius. It is true enough that Confucian thinking—with its emphasis on respect for authority—is a grave handicap to the growth of democracy in China. But it is too much to expect that a philosophy so completely accepted for hundreds of years will vanish overnight," the paper asserted.

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ROCKEFELLER

THE *New York Times*, writing on the Rockefeller US$10,000,000 grant, said that "one of the earliest services performed by the Rockefeller Foundation was the launching of the China Medical Board and the building of a modern medical college and hospital in Peiping.

"This was a task begun in 1915 with a gift of nearly US$10,000,000 for land, buildings and equipment. More millions were added later. And now the foundation has just announced a final US$10,000,000 gift which brings to nearly US$45,000,000 this investment in the training of doctors and nurses and in the care of the sick in China. It is the largest expenditure for a single enterprise in the Foundation's long record of wise generosity," the *Times* said.

"Same 350 doctors and 178 nurses have been graduated. Three thousand other men and women have done graduate work. Twenty-five years ago, it was not the custom for women to do nursing duty for men patients. It would be difficult to overstate the influence that the Peiping Union Medical College has had in lifting medicine out of the primitive in China through the training of young leadership with modern outlook," the paper concluded.

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INDIA

THE *New York Herald Tribune* said that the "resolution passed by India's Constituent Assembly for the creation of an independent republic makes no change in the political picture in India."

The basic issue, according to the *Herald Tribune*, is whether the Moslem League leaders will join in the deliberations of the Assembly which they have been boycotting, and thus aid the writing of a constitution that can be put into effect without a religious war. "There is no bar against an independent republic except controversies among the Indians themselves," the paper stressed.

"The Hindus obviously have a strong point. But there is a stronger one—there is need to induce the Moslems to give up the idea of a separate moslem nation. They will never abandon the idea unless major concessions are made to their point of view. Surely, concessions are worth making to avoid a religious war and to make possible the creation of a self-governing India," the *Herald-Tribune* said.

The *New York Times* gauged the import of the Assembly's decision against the "real voice of the Indian peoples."

The Moslems' adamant refusal to join the Assembly necessitates certain concessions on the part of the Congress Party, the *Times* said. "It may be too, that before India divorces herself completely from the British Commonwealth, she will find it to her advantage to retain some of the links which the other members have found so beneficial. At the moment, the trend is all the other way. But as separation nears, the difficulties may be more clearly seen," the *Times* pointed out.

Anti-Red Drive Begins In Many Countries

WHAT has the makings of a world-wide anti-Communist purge is now taking shape in many countries both in the United States and Asia.

Five members of the Central Committee of the Iraqian Communst Party have been arrested by the Baghdad police, and the Communist chairman, Jusef Salman Jusef, is among the arrested, *Tass* cabled from that city recently.

In India, police searches and arrests of Communist leaders climaxed charges that the Communists had in their possession a most compromising document printed by their newspaper in Delhi.

In Burma, police rounded up 26 Communists and other political party leaders when a special edition of the official *Gazette* imposed a ban on the Communist Party and the Red Flag Cultivators Union, terming them unlawful associations.

The *Gazette* charged that "party members and their dupes have carried out a mass invasion of courts of law and government offices in Rangoon as well as in districts with the object of overawing magistrates and other officers of government into passing orders wanted by the party."

In the United States, the House Un-American Activities Committee intends to hit at Communists on the Federal payroll as the first step in its campaign against "subversive influences in the United States."

The Committee plans to start its investigations with the State Department, the most vital organ of the Government, while the Labor and Commerce Departments will come next.

A *UP* report from Washington quoted Committee spokesmen as saying that "Marshall won't owe favors to anyone in the State Department and he will be in a perfect position to sweep out anyone with Communist sympathies or affiliations."

The most recent attack on the Communists came from French High Commissioner Admiral George D'Argenlieu, when he charged that the "Indo-China rebellion is Communist-inspired, and that the Vietnamese government is based on the Soviet pattern."

At the same time, the admiral charged that Nguyen Wah Giap, Vietnamese war minister, was trained by the Communists in China.

Finland Gets Loan

The United States Export-Import Bank, which still holds US$500,000,000 for China, has granted Finland a US$20,000,000 credit for the purchase of American machinery, equipment and materials required for the recovery of export production in the lumber, pulp and paper industries. Payment of the loan will begin in 1954 and will be completed in 1958. The bank has also announced the granting of a short-term loan to Finland, involving US$10,000,000, repayable before the end of 1947, for purchases of essential foodstuffs.

What Chinese Papers Say...

THE House of Lords debate on the China situation was one of the various subjects on which editorial writers commented during the past week, with the *Ta Kung Pao* saying that "undoubtedly it is a subject which we should feel strongly about and thoroughly ashamed of."

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HOUSE OF LORDS

The fact that the House of Lords proposed joint mediation on China's troubles by the U.S., Britain and U.S.S.R. at a time when America officially admitted failure in her efforts to bring peace and unity to this country, when the peace treaty with Japan is about to be taken up and when the Moscow Conference will be held barely a month from now, "certainly is not an accidental one," the independent *Ta Kung Pao* declared.

The British, whose foreign policy during the past year was one which seemed to follow the lead of the United States, had been watching astutely what the Americans had been doing in China, and were "apparently, jealous and at the same time pleased at seeing America being bogged down in the Chinese quagmire," the *Ta Kung Pao* said.

The same paper said Socialist Britain "feels that she can very well act as a buffer state between the United States and Soviet Russia.... and hope that China, too, can play the role of a Far Eastern buffer state between these two countries ....While relations between Britain and Russia improve considerably, Parliament feels it is ripe for her to voice her interest in and to interfere in Chinese affairs, and it is confident that the British have the ability to do so."

Because the civil war continues with greater intensity day by day, advocacy of intervention by other nations is also becoming stronger day after day, the *Ta Kung Pao* said. "As it is, we can only be ashamed of ourselves," the paper asserted, and admonished the nation "to resolutely and quickly halt all hostilities and right our own house, and not allow others to interfere with our own troubles."

The remark by Laborite Lord Lindsay that compared with the Chinese Government, the Franco Government is liberal and democratic "is the greatest possible insult to our Government," said the *Wen Wei Pao*. Sardonically, the liberal paper added, "Naturally, our Government is very indignant over this remark, but the Government would do well to use it as a mirror to see what it really looks like."

Calling it a "profound judgment on us," the same paper told the Government that "it is better to improve itself than to try to stop others from criticizing its shortcomings."

However, the *Wen Wei Pao* added that there are two possible alternatives in solving the present internal strife, namely, ultimate defeat by armed force of one by the other, and international intervention as advocated by Lord Lindsay.

"Viewing the Lindsay proposal objectively, it seems to be a better solution to the suffering masses of China in that their great calamity might be brought to an end at an earlier date," said the paper. It concluded, "And for this reason alone, we have no time now to bother about our traditional question of 'face.'"

* * *

PARACEL ISLANDS

"The French Navy has now invaded Chinese territory," declared the *Ta Kung Pao* in an editorial, commenting on the claims to sovereignty over the Paracel group of islands in the South China Sea.

In spite of the currency of names such as the "Big Four" or the "Big Five," China has now been "struck in face by other people," said the independent paper. It added that "we must lodge a strong protest with France and should also look upon the incident as a warning to ourselves....If we fail to solve our internal problems, China will again become a semi-colonial country subject to invasion by other nations."

The Government-controlled *Shun Pao* said, "The Paracel Islands definitely belong to China," adding that the attempt by the French to claim them "merely illustrates their imperialist desire."

The four points given by the French Government were inadequate to prove their claim, the *Shun Pao* declared, and said that China's rights over these islands can be proved by the map included in the Tientsin Treaty signed by China and France in 1858. The paper also pointed out that China had delivered several notes to the French Government in the years betwen 1932 and 1938, protesting against previous French occupation of the islands and declaring Chinese sovereignty over them.

The *Shun Pao* advised the French Government to reconsider its policy "which does not follow the current political trend."

The *Sin Wen Pao*, a pro-Kuomintang paper, said that the French not only ignored the popular wishes of 25,000,000 Annamites in their quest for independence by employing armed force against them, but "go even so far as to occupy the Paracel Islands, which are Chinese territory."

In the same tone as the *Shun Pao*, the *Sin Wan Pao* pointed out that France having been conquered by the Nazis managed to free itself from bondage only through the help given her by the Allies.

"It is unfortunate, therefore, that this same country today should pursue a policy of aggression against the territory of a former ally and suppression of a subject people seeking freedom by the use of armed forces."

Chang Huseh-Liang Release Asked

THE Northeast Political Association has expressed concern over the more than 10-year detention of the "Young Marshal" Chang Hsueh-liang, according to the *Wen Wei Pao*. The Association which has as its end the struggle for personal political freedoms, has drafted a proposal under its chairman Lin Wu, revolutionary veteran, under which Chang is to be released on bail.

The Association has also indicated that if the Government intends to procrastinate with Chang's release, it will instigate the people of the Northeast to stage mass demonstrations in support of their claims for Chang's freedom.

Illiteracy To Be Wiped Out In 38 Years

CHENG Tung-yuen, an official of the Education Ministry, has recently released statistical data pertaining to the number of people who have become literate in the years since 1928, according to the *Shun Pao*. The figures add up to around 70,000,000 persons who have learned to read and write since that year.

On an average, one to three million people became literate in the years from 1931 to 1937, the number rising to around 5,000,000 annually for the years 1938, 1939 and 1940. In 1942 and 1943, at least 10,000,000 persons became educated each year, according to the ministry's data.

The report said that the total number of illiterates has fallen from 202,000,000 to 132,672,605, including all persons between the ages of 15 and 60. This constitutes about 30 percent of the population, according to the *Shun Pao*.

Cheng said that if compulsory education is enforced, illiteracy will be totally liquidated in 38 years.

New CGU Note Issue Commented Upon

COMMENTING on the issuance of the 250 and 500 Customs Gold Units notes by the Government, the *Shih Shih Sin Pao* (*China Times*) listed four disadvantages which will result from the unpublicized government move: (1) rapid rise of commodity prices; (2) indication that peaceful settlement of the civil strife is impossible; (3) increasing distress to farmers and urbanites alike; and (4) greater financial burden upon the shoulders of public servants whose efficiency, in turn, will be further lowered.

The paper hoped the Government will not hike the foreign exchange rate nor increase public utility charges, but "will continue sales of gold bullion to stabilize commodity prices," now that a psychological effect has been created.

While admitting that issuance of the new notes, which are equivalent to CNC$5,000 and CNC$10,000, has caused rapid hikes in prices, the *Cheng Yien Pao* was of the view that prices will not go up to any serious new highs after the Chinese New Year.

EVENTS IN BRIEF

Negotiations initiated last October for the delivery of relief supplies to the inhabitants of the Communist-controlled areas of Hopei bore fruit this week as two U.S. Marine planes began dropping initial lots of 1,000,000 pounds of UNRRA clothing and medical supplies to offset the land blockade which resulted in accumulation of ample supplies on the borders, *Reuter's* reported.

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The three Japanese policemen who were brought on trial on charges of killing and wounding several Formosan Chinese during the "Shibuya incident" last July, were acquitted by an American military court last week, *Agence France-Presse* said. The agency pointed out that 41 Formosans connected with the incident were sentenced to deportation by the same court last December.

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The Council of the Australian Dockers Federation announced its decision to instruct dock workers to refuse to load goods on Spain-bound ships, *Tass* said this week. The council's decision was taken in support of the worldwide demand for resignation of the Franco Government.

* * *

Demonstrating against aliens for the first time, Filipino laborers picketed the Chinese Consulate in Manila this week, demanding that the Chinese Consul General intercede in the dispute between them and Chinese laborers, *UP* reported. The Chinese laborers had earlier refused to join the Filipinos in their demand for higher wages.

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The French authorities at Saigon declared in a statement issued this week that distinct marks of French sovreignity exist on two islands of the Paracel group, where French troops landed recently, in the form of army huts, a jetty and a weather station built in 1938, *Agence France-Presse* said. The occupation was planned two months ago, the statement added.

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Twenty three persons, including Prince Gustav Adolf of Sweden and American opera singer Grace Moore, were killed last week when a Dakota plane of the Royal Dutch Airlines crashed near Copenhagen Investigations into the causes of the disaster revealed that a control lock that secures a plane's controls when on the ground was found near the scene of the crash, *Reuter's* said. The prince's nine-month-old baby Carl automatically has become the second heir apparent to the Swedish throne.

* * *

Some 300 Chinese children of Chinese-American citizens are being held in San Francisco's detention quarters by the American immigration authorities, while officials determine whether they are eligible to enter the United States, *UP* said this week. U.S. officials said the children lack the necessary clearances from U.S. consuls overseas.

* * *

Acting against the advice of their union, South African gold, coal and diamond miners began their strike in an attempt to force the Labor Minister to intervene in the dispute concerning the constitution of their South African Mine-workers Union, *Reuter's* said this week.

* * *

While churning its way across the Pacific from Shanghai to London, via the U.S. West Coast ports, an American freighter, the Samidway, lost its propellor 270 miles off Honolulu, *AP* said this week. A Navy tugboat is on its way from Honolulu to the rescue.

* * *

The Civil Aeronautical Bureau, an outgrowth of the recent air disasters, was formally established in Nanking last week. The bureau will strive to prevent air disasters and to work out regulations for the control of China's civil aviation, director Tai An-kuo declared.

* * *

Lamenting over the civil war in China, a wounded soldier committed suicide by detonating a handgrenade in a public park here last week. In a letter addressed to his former employer, the Ministry of Defense, the soldier wrote that "Chinese should not fight against Chinese."

* * *

As a step to strengthen cultural ties between China and India, the Indian Government is endowing a chair of Indian history and culture in the National Peking University, *Reuter's* said last week. Dr. Probodh Chandra Bagchi of the Visvabharati University has been appointed the visiting professor.

* * *

Italians and Austrians who want to become Chinese citizens will have to wait until peace treaties with the two countries have been signed by China, the *Kwangtung Provincial News Service*, quoting an Executive Yuan ruling, said last week.

* * *

Peace and order in Hainan Island are "far more secured" than a year ago, a spokesman for Governor Lo Cho-ying told a press conference in Canton last week. He said the improvement was largely brought about by the combined efforts of the police and homeguards after the Nationalist 46th Army sent to the island to "suppress the bandits that swarmed Hainan" soon after V-J Day had failed to do so.

* * *

In what was described by *AP* as the first big legislative battle of the new U.S. Congress, the Senate Republicans triumphed after winning a year's extension of life for the special war investigation committee last week. The deciding vote was 47 to 45. No less energetic was the Republican-controlled House Committee on Un-American Activities which has ordered investigations of "subversive influences" in movieland Hollywood, unions, schools, and the United States Government.

* * *

More than 4,000 militant "Red Flag" Communists last week kept armed British and Burmese troops on guard for a full day at government buildings and strategic points in the city of Rangoon after they threatened to "besiege" these offices, *Reuter's* said.

* * *

Franco's offer of political amnesty to all exiled criminals who return within six months was aimed at reducing support for Dr. Jose Giral of the Republican government in exile and Spanish Republican activity in general, *Reuter's* said last week.

* * *

More than 2,000 prisoners have been released by the judicial authorities here up to now under the general amnesty order issued by the Central Government, officials of the Shanghai District Court said this week.

Britain Spends U.S. Loan Too Fast

BRITAIN has withdrawn US$800,000,000 of her US$3,750,000,000 U.S. loan and it is said that if this rate of spending is maintained the entire loan will not last the planned five years but will be used up in approximately three years. This has created new difficulties for Britain in her purchasing program, vitally connected with her export drive under the familiar slogan "Britain Delivers The Goods."

Rising prices, the result of U.S. decontrol measures, have seriously affected the purchasing power of the U.S. dollar which Britain got in the loan agreement. Some quarters in the United States are seriously considering whether an extension on British plans and pledges, made to the U.S. contingent on the loan, should be granted, considering how conditions in America have offset the loan's efficacy.

Conditions And Payments

Conditions of the American loan —among which is the abolition of the so-called sterling area within a year after the signing of the loan— will be more difficult to meet than the payment of instalments and interest. At present, countries involved in the bloc can make only limited purchases in the U.S. because they cannot freely exchange into U.S. dollars receipts from goods sold to Britain.

Other conditions of the loan include settlement of Britain's US$14,000,000,000 debt to sterling area countries and administration of import quotas, so that the disadvantage to American exporters is ended, and the elimination or reduction of "Empire preferences."

Up to the present, Britain has kept her pledges not to depreciate the pound sterling, and to join with the U.S. in establishing the International Trade Organization, aimed at freer trade between world nations.

Buy Less Food

The effect of the depreciation of the U.S. dollar has not aided in raising the standard of living in Britain, as was expected when the loan was negotiated. Britons have not been able to buy more for their home consumption and bread rationing has had to be maintained.

The U.S. suggests that the best remedy for Britain's postwar ills is expanded world trade, on a freer basis without the wartime restraints and barriers.

PRESIDENT MANUEL ROXAS told the joint session of the first Philippine Congress that "We must preserve at all costs our intimate relationship with the United States." He disclosed that the U.S. recently expressed its willingness to withdraw all military forces from the Philippines but decided to carry out the original program when informed that a unanimous resolution had been passed by the Philippine Congress agreeing to the establishment of American bases there.

PEOPLE IN THE NEWS

JOHN E. PEURIFOY, veteran of nine years administrative work in the U.S. Department of State, has been appointed Acting Assistant Secretary of State under Gen. Marshall. Peurifoy replaces Donald Russell, who resigned with James F. Byrnes. The new appointee will be responsible for any reorganization of the department which may be undertaken by his chief.

* * *

DR. CHING-JUN LIN, president of Fukien Christian University in Foochow, died on January 26 in New York Hospital at the age of 48. Dr. Lin was on a year's furlough in the States to study philosophy and ethics at Union Theological Seminary. He has been president of Fukien since 1927.

* * *

HSUAN TIEH-WU has resigned as Commissioner of Police and recommended that he be succeeded by the Commander of the Ningpo Garrison Headquarters. The Central authorities have accepted his resignation after several previous refusals. Hsuan, holding the rank of lieutenant General, is concurrently commander of the Woosung-Shanghai Garrison Headquarters, to which position he intends henceforth to devote all of his time.

* * *

EDWARD STETTINIUS, former U.S. Secretary of State, spoke in Junction City, Kansas, at the launching of the 1947 campaign of the United Service to China, of which he is campaign chairman. He urged full participation by all Americans in the USC program of helping the Chinese help themselves. Stettinius opined that the bridge of Sino-American friendship has been weakened through the stress of the war years, partly due to the American realization that the Chinese are not perfect in all things and partly due to the Chinese people's disillusion with American isolationism.

* * *

WU KAI-HSIEN, Commissioner of Social Affairs here, has tendered his resignation upon his doctor's orders. Commissioner Wu is said to be suffering from a brain disease.

* * *

NORMAN GORDON, American city planning expert, is back in China. It is his purpose to help the Ministry of the Interior set in motion a long-term project to stimulate and direct the growth of China's cities. The project includes the reconstruction of Nantao and Kiangwan along modern lines and the expansion of Shanghai's port facilities, the laying out of a compact government site in Nanking at the airfield inside the city wall, and the improvement of the sewerage and water supply systems in Nanchang and Changsha.

* * *

A. W. REEVES, British chief engineer, and two Chinese seamen, Yao An-fu and Woo Tsung-fu, have been detained on charges of having aided in the theft of 60 tons of diesel oil from the CNRRA Water Transport vessel Wan Kien. The oil is valued at CNC$24,000,000.

* * *

SARAT BOSE, brother of Subhas Bose, appealed to the people of Bombay to observe the latter's birthday anniversary peacefully. He warned that "some interested persons are trying to throw the whole city into confusion and to harm our national cause." In the course of the day 12 persons were taken to hospital as police opened fire several times to halt looting and stone-throwing.

GEN. GEORGE C. MARSHALL has declared his intention of steering clear of politics during his incumbency as Secretary of State and that he "therefore cannot be considered as a candidate for a political office." Washington has speculated freely upon the likelihood of Marshall's running for President on a Democratic ticket.

* * *

EDOUARD HERIOT, French radical leader, has been elected President of the Franch National Assembly.

* * *

MAJ. GEN. W. W. RICHARDS, British War Office Ordnance Controller and the liaison officer between the United Kingdom, United States and Canadian defense organizations, is in Canada. He said on his arrival in Halifax that while standardization was partly instituted during the war, further standardization is now needed more than ever.

* * *

RICHARD STRAUSS, foremost living German composer, is to be tried by the Bavarian denazification court. Strauss is 82 years old.

* * *

LT. GEN. ROBERT L. EICHELBERGER, commander of the Eighth Army in Japan, spoke to his troops over the radio to the effect that "We must all set an example which these defeated people can admire and respect....There is no place in the occupation forces for drunken bullies, racketeers and slovenly soldiers."

* * *

ADMIRAL ERNEST J. KING, Commander of the United States Navy, was interviewed in Australia by a correspondent of the *Sydney Morning Herald*. It is Admiral King's contention that neither Australia nor France could defend islands like Manus or New Caledonia. He fears the danger of a Communist France allowing Soviet Russia to use the Noumea harbor in Caledonia in the event of a future war.

* * *

DR. TILLSON LEVER HARRISON, UNRRA medical officer assigned to CNRRA, died on January 10 at Chang Chiu, a Communist controlled town in Shantung. While the cause of death has not yet been determined, UNRRA medical officers have ascertained that no violence occurred. Dr. Harrison, a Canadian citizen, was 59 years old.

* * *

ROBERT P. PATTERSON, U.S. Secretary of War, told a radio audience that the prospects for peace in 1947 were excellent but that the army must have a minimum of 1,070,000 men during the year, "because we must stand guard over more than 100,000,000 persons to make sure they will be incapable of disturbing the peace again....".

* * *

SENATOR STYLES BRIDGES says that he may soon introduce legislation to restrict the President of the United States to a single six-year term. He is opposed to limiting the President to two four-year terms.

* * *

FRANZ VON PAPEN is standing trial in a denazification court in Bavaria only a few miles from the building where the International Military Tribunal acquitted him of war crimes charges.

* * *

DEMETRIUS MAXIMOS, Populist Premier of Greece, has formed a coalition cabinet in which outgoing Prime Minister Constantin Tsaldaris will be Foreign Minister.

Who's Who in China

CHU CHENG, president of the Judicial Yuan; born at Kwangchih, Hupeh, Sept. 23, 1873; received classical education and awarded the Siu Tsai Degree (equivalent of B.A.), 1897; graduated

Chu Cheng

(居正字覺生)

from the College of Law at Tokyo, 1901; while studying in Japan, he joined the revolutionary Tungmenghui, predecessor of the Kuomintang; after graduation, became editor of the *Chun Hsin Daily News* at Singapore; soon after, founded the *Kwang Hua Daily News* at Rangoon; upon return to China was engaged in revolutionary activities in the Yangtze provinces; organized a Revolutionary Army in Wuchang and Hankow, in support of the Revolutionary movement at Canton; upon outbreak of the Wuhan Revolution, he was appointed secretary of the Military Government at Wuchang and later was elected Hupeh representative to Nanking to organize the Nanking Provisional Government, of which he was made acting Minister of Interior, 1912; elected Senator of the Parliament at Peking, 1913, and became commander of the Woosung Forts, Shanghai, upon outbreak of the Second Revolution against Yuan Shih-kai; director of party affairs of the Chung Hua Revolutionary Party, 1914-18; Commander-in-Chief of the Northeastern Revolutionary Forces, 1916; vice-Minister of Interior in the Headquarters of the Generalissimo and member of the Constitution Drafting Committee, 1917; director of administrative affairs of the Kuomintang, 1919-22; councillor to the Office of the President of the Canton Revolutionary Government, 1921; Minister of Interior of the Canton Revolutionary Government 1921; councillor of the Kuomintang, 1923; member of Central Executive Committee of the Kuomintang, 1924; state councillor of the National Government, 1927; member of the Standing Committee of the Central Executive Committee of the Kuomintang; member of the Central Political Council, and President of the Judicial Yuan since 1932; concurrently President of Supreme Court, 1932; Minister of Justice, 1934; chairman of the Board of Trustees, Chao Yang Law College, member of the Board of Trustees of Soochow University, chairman of Board of Directors, China Law Association, and member of the Board of Trustees of Yenching University; author of the Mei-Chuen Revolutionary Diary and several treatises on legal matters; address: Judicial Yuan, Nanking.

NEW BOOKS OF INTEREST

Rejuvenated

NEW REPUBLIC, *weekly, edited by Henry A. Wallace. Published by Editorial Publications, Inc., New York. Reviewed by Urii Sdobnikov.*

HENRY A. Wallace, former Vice-President of the United States, former Secretary of Agriculture, former Secretary of Commerce, former editor of *Wallace's Farmer*, and inventor of a hybrid corn which "was saving 150,000,000 hours of labor annually in wartime through higher yields," assumed editorship of the *New Republic* which emerged as a thoroughly overhauled magazine on December 16. Last October Wallace stated that he would not have accepted this platform "if I did not have the assurance that every effort will be made to get the *New Republic* read by workers, small businessmen and farmers all over the United States."

"I want it to be 'must' reading by liberals all over the world," Wallace added, and pledged the new magazine will be so simple that high school students can understand it and so sound that doctors of philosophy respect it.

Wallace's avowed intention is to get political action that would lead to the election of progressive Congressmen serving in the interests of the people regardless of special pressure groups. He promised education and sound analysis—always in terms of action—that would finally convince the liberal-minded peoples of this world that their governments are heading for another war, unless the present armaments race is halted and men's efforts are directed to making this planet a fitter place to live in.

Observers in the United States had interpreted Wallace's recent move, following his ousting from the Truman Administration late last year, as an attempt to create a third party, but this speculation was discounted by Wallace himself who said that the liberals grouped around him are "captives of no party." He added, nevertheless, that "if the Democratic Party is incapable of change, we shall strike out along other lines."

The first two issues of the reformed *New Republic* were received here last week—64-page affairs as compared with the previous 32 pages.

The new editor calls for a return to the American traditions of "life, liberty and the pursuit of happiness" as opposed to the "false tradition of dollar diplomacy or high prices created by monopolistic scarcity." He says this American tradition has never been completely fulfilled, and when it is, it will not be as a paragraph in the Declaration of Independence, but as the intrinsic content of the Declaration of Interdependence for the entire world.

Wallace, who has been often called a middle-of-the-roader, proves the truth of this assertion when he indicates that he is ready to lash out both against the "diehards of the right" and the diehards of the left." Under the first group he places those who maintain that "jobs for all are beyond the reach of a society based on peace and freedom," while the other group is composed of those who sacrifice freedom for the sake of jobs and peace. He rejects both these stands and declares himself for jobs, peace and freedom, at one and the same time.

Wallace, nevertheless, assumes a leftish stand when he, flays "most Republican congressmen," who believe in complete freedom for large corporations to hold up prices by monopoly, while the price of farm products and the wages of labor are beaten down. High tariffs which aid depression he likewise attributes to the Republicans, who, it may be assumed, thus fall in the "diehards of the right" category.

He has a far-reaching plan of world planning by the U.S., England and Russia to increase the productivity of backward areas by irrigation dams, power dams, railroads, docks, highways, agricultural machines, textile mills, machine tools and hospitals.

The basis of this planning is to be two 20-year plans. The first, to be completed by 1966, is to rid the world of illiteracy and starvation, while the second is to eliminate transmissible disease and to establish higher living standards for the citizens of the world by 1986.

"Technologically," Wallace asserts, "it can be done. Morally, it must be done. Practically, it is cheaper than war and the only alternative to war."

He advocates the expansion of commerce, the internationalization of the Panama Canal, the Suez, the Dardanelles, and the Danube; he would have oil in every spot of the world made accessible to all peoples, rationed not according to the requirements of colossal armies, but based on the needs of industrial development.

Wallace sounds an ominous note when he warns against the growth of American fascism—less brutal, but infinitely more powerful than anything Mussolini fostered—which, he says, goes hand in hand with the abolition of American freedom and the preparations for all-out atomic war by the military coopecating with their good friends among the larger corporations. Here, Wallace is definitely more left of his liberal or even progressive stand, he assumes on international issues. In general it should be noted that Wallace is more left in his domestic stand than in his attidute to international politics.

While not directly attacking the Soviet Government it is clear that Wallace considers the "diehards of the left" to be seated in that direction. On the other hand, he points to Soviet achievements in the field of complete equality among USSR minorities and between the sexes; of the absence of any kind of discrimination; to the economic and social rights and opportunities guaranteed to all Soviet citizens, and to the absence in the USSR of powerful, private monopolies of press, radio and movies.

Here again is evident the line he draws between the lack of economic freedom in the United States, and the lack of political freedom in the USSR. A fusion of these freedoms, guaranteed all over the world, is the ultimate goal of Wallace's campaign.

His most hated enemy is "blind reaction, placing profit before production, depression before effective government and war ahead of a rising standard of living for the peoples of the backward areas." His friends are all who believe in true democracy, and his master is the common man.

* * *

WALLACE is apparently not alone in his present efforts to make the *New Republic* "must reading for liberals throughout the world. Practically every article in the two issues is aimed either at support of his stand or denunciation of his announced enemies.

In the December 16 issue, Theodore H. White, co-author of Thunder Out Of China, presents an article entitled: Lost—American Policy in China, which after outlining American aid to the Kuomintang as contrasted to official statements, ends with the prediction that the present American policy is doomed to failure.

Among the contributors to the first two issues are Ellis Arnall, progressive Governor of Georgia, Richard Watts, Jr., Ralph G. Martin, and a few editorial writers of the old *New Republic*. Wallace's editorship, however, is omnipresent.

The first issue contains full-page advertisements from the American League for a Free Palestine, from the Amalgamated Clothing Workers of America, the Alleghany Corporation, the National Committee to Win The Peace, and an advertisemsnt from the McGill Manufacturing Company, Inc., which sends a "personal word from a wellwisher."

"The two biggest obstacles to democracy in the United States are, first, the widespread delusion among the poor that we have a democracy, and second, the chronic terror among the rich lest we get it, "the Chairman of the Board writes and this about sums up the magazine's new stand under Henry Wallace's leadership.

Salesmen Indicted

THE HUCKSTERS *by Frederic Wakeman. Published by Rinehart & Co., Inc., New York, 1946. 307 pp., US2$.50. Reviewed by Marion Barney.*

ANOTHER book scarcely worth reading has been produced by the author of *Shore Leave*. As entertainment it does not compete with the better mystery stories, as literature it simply is not in the running. However, the author is to be credited with a certain vividness of impressions and emotions; the reader is able to see and to feel as required, but afterwards he wonders why he bothered.

It all adds up to the futility of life, and of the advertising business in particular. An OWI man, of the disillusioned variety but retaining in spite of himself some of the finer instincts, returns to his accustomed business milieu—an advertising agency.

For all of its exaggerated characters, the reader does receive a colorful impression of this field of endeavor. He will never again be able to listen to radio commercials without extreme irritation, if he was able to in the first place. Our hero proceeds to Hollywood, where he falls in love with the wife of an overseas warrior with two lovely children.

After a delirious love affair he is forced to return to New York, intending so to arrange his affairs that he will be able to support his beloved and her children when a divorce has been secured. But an unpleasant encounter with the fiendish old soap manufacturer who controls the destinies of the advertising agency convinces the young lover that he cannot give up his independence and lose his integrity by taking on responsibilities. He is also deterred by thoughts of the soldier returning to a shattered home. He throws up his job and calls off the whole love affair.

I found the central character, the self-branded egoist, most annoying. Most of the other characters were thrown in for local color and were rather interesting if sometimes incredible. However, I do retain a distinct, if probably biased, impression of the advertising world, of Hollywood, and of the train ride between. I am thoroughly fed up with the whole affair and not at all concerned about the unhappy ending.

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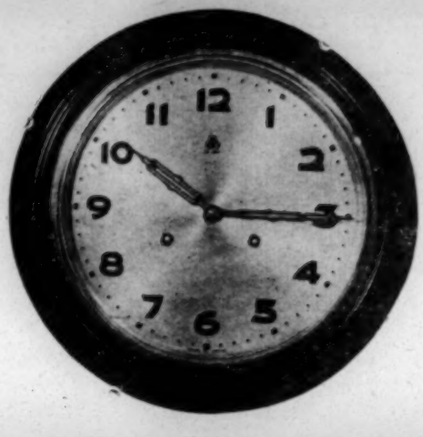

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NANKING-SHANGHAI LINE

TIME TABLE

4	6	8	2	10	12	72	82	84	TRAIN NO.	1	5	7	3	9	11	71	81	83
I, II Exp.	I, II III Exp.	I, II Exp.	I, II N'king Excur. Throu. Exp.	I, II III Night Exp.	I, II Night Exp.	I Wusih Excur.	I Wusih Excur.	I Wusih Excur.	STATIONS	I, II H'chow Excur. Throu. Exp.	I, II III Exp.	I, II Exp.	I, II Exp.	I, II III Night Exp.	I, II Night Exp.	I Wusih Excur	I Wusih Excur.	I Wusih Excur.
7.00	9.00	11.00	13.30	21.50	23.00	17.15	6.40	20.30	D SHANGHAI NORTH A	14.45	16.25	19.30	22.45	6.35	8.00	13.05	23.55	18.30
	10.16	12.14		23.23					D KUNSHAN D		15.24	18.15		5.28				
8.41	10.57	12.57	15.17	0.20	1.06	19.03	8.26	22.31	A SOOCHOW D	13.06	14.33	17.29	21.06	4.39	5.39	11.12	21.52	16.40
8.48	11.06	13.04	15.26	0.27	1.13	19.09	8.31	22.38	D SOOCHOW A	12.59	14.19	17.21	20.58	4.32	5.19	11.06	21.46	16.46
9.36	11.54	13.55	16.14	1.22	2.08	20.00	9.25	23.30	A WUSIH D	12.11	13.24	16.27	20.10	3.39	4.26	10.15	20.55	15.40
9.42	12.06	14.02	16.23	1.29	2.15				D WUSIH A	12.04	13.18	16.21	20.03	3.33	4.19			
10.31	12.59	15.01	17.09	2.27	3.13	Suspended on Sunday	Run on Sunday	Run on Sunday	A CHANGCHOW D	11.17	12.22	15.20	19.16	2.35	3.30	Suspended on Sunday	Run on Saturday	Run on Sunday
10.40	13.08	15.15	17.19	2.37	3.25				D CHANGCHOW A	11.06	12.09	15.08	19.06	2.24	3.20			
11.38	14.00	16.13		3.56	4.29				A TANYANG D		11.09	14.05	18.12	1.07	2.03			
11.41	14.03	16.17		4.00	4.33				D TANYANG A		11.05	13.55	18.03	1.02	2.00			
12.18	14.40	17.01	18.46	4.46	5.18				A CHINKIANG D	9.32	10.28	13.07	17.23	0.09	1.07			
12.25	14.45	17.17	18.53	4.55	5.27				D WEST A	9.24	10.21	12.59	17.15	23.56	1.00			
13.55	16.10	18.50	20.20	6.30	7.15				A NANKING D	8.00	9.00	11.00	15.45	22.00	23.00			

FARE LIST

STATIONS	Kilo.	I Class Ordinary Express		II Class Ordinary Express		III Class Ordinary Express		"Triumph" Express, Nanking & Hangchow Excursion Through Expresses I	"Triumph" Express, Nanking & Hangchow Excursion Through Expresses II	"Tai Hu" Excursion
SHANGHAI N. TO:—										
KUNSHAN	52	4,000.	10,000	2,000.	5,000.	1,000.	2,500			
SOOCHOW	87	8,000.	10,000.	4,000.	5,000.	2,000.	2,500	19,500.	10,500.	20,000.
WUSIH	129	10,000.	12,000.	5,000.	6,000	2,500	3,000	19,500.	10,500.	20,000.
CHANGCHOW	168	14,000.	16,000.	7,000.	8,000	3,500.	4,000	19,500.	10,500.	
TANYANG	213	16,000.	20,000.	8,000	10,000.	4,000	5,000	30,000	16,500.	
CHINKIANG WEST	243	18,000.	22,000	9,000.	11,000.	4,500.	5,500.	30,000.	16,500.	
NANKING	312	24,000.	28,000.	12,000.	14,000.	6,000.	7,000.	30,000.	16,500.	

SHANGHAI-HANGCHOW LINE

TIME TABLE

23	21	61	67	25	1	41	TRAIN NO.	92	42	2	68	26	22	62	94
I, II III Exp.	West Lake Throu.	II, III Ord.	IV Mixed	I, II III Exp.	I, II H'chow Throu. Exp.	II, III Ord.	STATIONS	I, II III Local Exp.	II, III Ord.	I, II N'king Throu. Exp.	IV Mixed	I, II III Exp.	West Lake Excur.	II, III, IV Ord.	I, II III Local Exp.
6.45	8.00	8.15		11.30	16.09	16.15	D SHANGHAI NORTH A	9.15	12.15	12.35		18.55	20.05	22.30	
7.05	8.16	8.36	9.00	11.53	16.19	16.36	D SHANGHAI WEST D	8.58	11.55	12.20	17.20	18.37	19.49	22.13	
7.49		9.46	10.29	12.38	17.03	17.46	A SUNGKIANG D	7.51	10.44	11.26	15.29	17.48		21.00	
7.54		9.56	10.40	12.48	17.08	17.51	D A	7.47	10.38	11.21	15.22	17.39		20.54	
9.02	10.02	11.40	12.50	13.50	18.16	19.23	A KASHING D	6.35	9.04	10.13	13.10	16.20	17.54	19.25	
9.16	10.08	11.50	13.15	13.58	18.26	19.33	D A		8.55	10.04	12.45	16.11	17.47	19.12	20.50
10.00		12.33	14.52	14.32	19.01	20.16	D YEHZAH D		8.14	9.31	11.53	15.39		18.29	20.18
10.31		13.18	15.56	15.04	19.32	21.01	A CHANGAN- D		7.27	8.58	10.40	15.06		17.42	19.34
10.36		13.26	16.10	15.11	19.37	21.06	D TSENG A		7.22	8.54	10.27	15.02		17.37	19.27
11.30	11.55	14.45	18.10	16.20	20.30	22.20	A HANGCHOW D		6.10	8.00	8.30	14.00	16.00	16.25	18.25

FARE LIST

STATIONS	Kilo.	I Class Ordinary Express		II Class Ordinary Express		III Class Ordinary Express		"Triumph" Express, Nanking & Hangchow Excursion Through Expresses I	"Triumph" Express, Nanking & Hangchow Excursion Through Expresses II	"West Lake" Excursion
SHANGHAI N. TO:—										
SUNGKIANG	45	4,000.	10,000.	2,000.	5,000.	1,000.	2,500.	19,500.	10,500.	
KASHING	99	8,000.	10,000.	4,000.	5,000.	2,000.	2,500.	19,500.	10,500.	15,000.
YEHZAH	126	10,000.	12,000.	5,000.	6,000.	2,500.	3,000.	19,500.	10,500.	
CHANGANTSENG	151	12,000.	14,000.	6,000.	7,000.	3,000	3,500.	19,500.	10,500.	
HANGCHOW	190	14,000	18,000.	7,000.	9,000.	3,500.	4,500	19,500.	10,500.	25,000.

NANKING-SHANGHAI RAILWAY SYSTEM ADMINISTRATION

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